

Referendum in Russia
Can Yeltsin win and will it matter if he does?
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Sales on the skids
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Attali's empire
The inside story at the EBRD
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Tomorrow's Weekend FT
Russian rebels silenced by the syringe

FINANCIAL TIMES

Europe's Business Newspaper

FRIDAY, APRIL 23, 1993

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Fall in UK jobless figures bolsters hope of upturn

UK unemployment fell in March - the second month running - confounding expectations among financiers and politicians that it would rise and boosting hopes that the recession is over.

The surprise 26,000 decline in the seasonally adjusted jobless total to 2.94m last month helped give a strong upward push to sterling. Page 9; Editorial Comment, Page 16; Lex, Page 16

Clinton 'disappointed' President Bill Clinton said he was disappointed but not disheartened after being forced to abandon all but a fragment of a projected \$16bn package of measures to stimulate the economy. Page 16

UK may back US bombing moves Britain signalled its readiness to give reluctant backing to a move by the US administration to bomb Serbian supply lines in Bosnia or to lift the international arms embargo on the Bosnian Muslims. Page 2; Clinton calls the shots, Page 14

Benazir's husband joins government

Asif Ali Zardari, (left) 38-year-old husband of former Pakistani prime minister Benazir Bhutto, was sworn in as a minister in the country's five-day-old caretaker government. Zardari took the oath of office just two months after being released on bail having served two years in jail. He was acquitted on nine of 12 cases filed against him, including murder. The appointment is a further sign of a rapprochement between Ms Bhutto and the president. Page 6

Mercedes-Benz, mainstay of the German Daimler-Benz group, hopes to stop the profits slide this year in spite of a slump in turnover and unspecified operating losses in the first quarter. Page 17

Tokyo keeps up attack Japanese business leaders, senior government officials and politicians attacked US economic policy towards Japan as the yen rose to another postwar high against the dollar in Tokyo. The dollar closed at ¥110.20. Page 6

Amato hands in resignation Italian prime minister Giuliano Amato formally resigned and was asked to remain as caretaker premier while President Oscar Luigi Scalfaro tried to assemble a new government. Page 2

Swedish austerity package Sweden's centre-right minority government announced further deep spending cuts and measures to tackle unemployment. Page 16

Salomon, Wall Street securities house and energy trading group, announced a \$65m pre-charge net loss for the first quarter after its Salomon Brothers brokerage subsidiary went into the red because of losses on proprietary trading activities. Page 17

Axa, French insurance company, announced a 35 per cent fall in group profits for the year to FF71.54bn (\$264m) and expressed confidence about the future profitability of its investment in The Equitable of the US. Page 18; Lex, Page 18

Palestinians shot Israeli soldiers shot and wounded at least 24 Palestinians in a second day of demonstrations in the Gaza Strip.

PSA Peugeot-Citroen, French car group, reported a 39 per cent fall in profits to FF3.37bn (\$184m) last year. Page 17; Peugeot loses resale court fight, Page 2

Andries Treurnicht dies South African pro-apartheid Conservative party leader Andries Treurnicht died aged 72. Page 6

Waco investigation starts Work started on removing bodies from the remains of the cult compound at Waco, Texas, in which 86 are believed to have died. Investigators are looking into the possibility that David Koresh's followers died in a mass murder rather than suicide.

Unity front in Bonn French prime minister Edouard Balladur made no request for gestures of solidarity from Chancellor Helmut Kohl during a visit to Bonn. Page 16

Death sentence for fundamentalists Seven Egyptian Muslim militants were sentenced to death by a military court near Cairo for charges that included attacks on foreign tourists and conspiring to topple the government.

STOCK MARKET INDICES			
FT-SE 100	2881.1	(+11.5)	New York lunchtime
Yield	3.95%		\$ 1.5818
FT-SE Euroshare 100	1184.35	(+6.54)	London: \$ (1.5363)
FT-Air Share	1412.08	(+0.57%)	Dm 2.4976 (2.466)
Nikkei	19,591.31	(+181.70)	FF 8.38 (8.325)
New York closing			
Dow Jones Ind Ave	3461.05	(+21.61)	SP 2.255 (2.2425)
S&P Composite	444.34	(+0.71)	Y 170.25 (170.5)
US LUNCHTIME RATES			
Federal Funds	3%		£ Index 88.7 (80.1)
3-mo Treas Bill: 1W	2.659%		
Long Bond	104%		
Yield	5.759%		
LONDON MONEY			
3-mo Interbank	5.1%	(same)	
Libor 3m bill future: Jun 105.4 (Jun 105.5)			
NORTH SEA OIL (Argus)			
Break 15-day (Jun)	\$18.75	(18.555)	
Oil			
New York Crude (Jun)	\$342.5	(340.7)	
London	\$340.15	(338.0)	
Tokyo close ¥ 110.2			

Austria	Sch60	Greece	D600	Lat	L100	Cat	SP11
Bahrain	Dm1.250	Hungary	R172	Mex	Lm100	Sable	SP4.10
Belgium	FF60	Israel	Nv160	Mozambique	Adm175	Singapore	SP4.10
Bulgaria	Lm2.00	India	R40	Neth	R1.375	Spain	PP200
Cyprus	CY1.00	Indonesia	Rp2000	Norway	Nm100	Sweden	SP15
Czech Rep	Kc45	Italy	L100	Philippines	Ph100	Switzerland	SP10.00
Denmark	Dk15	Japan	¥100	Poland	Pl100	Taiwan	SP10.00
Egypt	E£2.50	Jordan	Jd1.50	Romania	Rm100	Thailand	SP10.00
Finland	Fm12	Korea	Won 250	Saudi Arabia	Sa100	Turkey	L100
France	FF4.50	Kuwait	Kd1.00	Slovenia	Sl100	UAE	Dm11.00
Germany	Dm3.50	Lebanon	Lb1.25	Portugal	Pt215		

Tehran used loans from BNL Atlanta to buy arms

By Alan Friedman in New York

THE Atlanta branch of Italy's state-owned Banca Nazionale del Lavoro - already embroiled in scandal over \$5bn of loans that helped fund Iraq's war machine - also provided secret loans which were used to finance arms sales to Iran.

Italian government documents obtained by the Financial Times show that BNL Atlanta lent \$20m

to countries including Iran, the former Soviet Union, Turkey and Jordan. Like the clandestine Iraqi loans, a large number of these additional loans were made without any formal notification to BNL's head office in Rome.

Part of the secret \$20m of non-Iraqi loans was used to help finance shipments of militarily useful equipment from US and European companies to Tehran, according to a US government

official familiar with the case. Some of the shipments would have violated the United Nations embargo on arms sales to Iran and Iraq during the 1980-88 war between those two countries.

The additional loans, made in the mid and late 1980s, extend the scope of the BNL scandal well beyond the bank's Atlanta branch and the issue of the Iraqi loans.

Earlier this week, it emerged

that US investigators are also looking at BNL's Argentine operations to see if any of the bank's funds in Buenos Aires were used to help finance Iraq's Condor 2 nuclear-capable missile project.

BNL's head office in Rome has said it is unaware of any links between its Argentine branch and companies that worked on the Condor 2 missile project. Last night, the bank said it was

unaware of the Iran loans from Atlanta.

However, a senior BNL executive said yesterday that at the time of the August 4 1989 FBI raid on BNL's Atlanta branch, a total of \$735m of exposure resulting from non-Iraqi loans was discovered, of which \$417m was US government guaranteed.

He said that he could not rule out that other non-Iraqi loans had been made by the Atlanta

branch and already repaid by the time of the FBI raid.

In Venice, meanwhile, an Italian state prosecutor investigating the BNL affair has asked a court to convict and sentence to six-year prison terms Mr Nerio Nesi and Mr Giacomo Pedde, the former BNL chairman and director-general respectively, for making alleged illegal BNL-funded arms

Continued on Page 16

Bundesbank cuts rates to combat slowdown

By David Waller in Frankfurt, Quentin Peel in Bonn and James Blitz in London

THE Bundesbank yesterday cut both of its main interest rates in a move which was seen as the clearest indication yet that it is concerned about the slowdown in the German economy and the prospect of renewed pressures inside the European exchange rate mechanism.

The central bank's policy-making council decided at its scheduled meeting to reduce the discount rate, the floor for money market rates, by 0.25 of a percentage point to 7.25 per cent. It also cut the Lombard rate - an emergency ceiling for bank borrowing - by 0.5 points to 8.5 per cent.

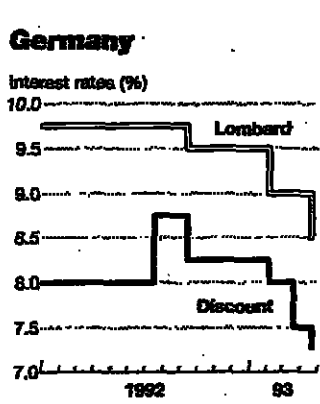
The timing of the rate cuts took financial markets by surprise. On Wednesday, the Bundesbank had announced worse than expected figures for money-supply growth, creating the impression that a further easing in monetary policy was unlikely to take place for some weeks.

The cuts in interest rates also came despite the fact that inflation in Germany is running at 4.2 per cent, more than twice the Bundesbank's long-term target of 2 per cent inflation.

Mr Helmut Schlesinger, Bundesbank president, said he remained fully committed to the objective of cutting inflation. He presented said the cuts as part of the central bank's cautious approach to the easing of monetary policy which had led to stable conditions on capital and money markets.

Mr Schlesinger also said, despite this week's worse than expected data, the Bundesbank's money supply was growing at a level consistent with its medium-term inflation objective of 2 per cent.

In March, the M3 measure of money supply growth rose at an annualised, seasonally adjusted rate of 3.2 per cent. This was



below the Bundesbank's target range which, for this year, has been set at 4.5 to 6.5 per cent.

Mr Schlesinger said the cuts would bring some relief for other countries, raising speculation that the Bundesbank may have been concerned by new currency pressures inside the European exchange rate mechanism. However, he also made clear he believed that the interest rate policies of other countries did not depend wholly on Bundesbank policy. Some countries, such as France, he said, had been able to reduce their interest rates "with good news and clear policies".

Before the Bundesbank cuts were announced yesterday, both the French franc and the Spanish peseta had been under pressure inside the ERM, with the Spanish authorities raising their daily intervention rate by 65 basis points to 14 per cent to staunch selling of their currency.

The Bundesbank cut helped the French franc recover in afternoon trading to close more-or-less unchanged on the day at FF3.374 against the D-Mark. However the peseta was still much weaker by the London close, finishing at Pta72.54 from a previous Pta72.37.

Bundesbank's surprise, Page 2
Spain defends peseta, Page 2
Currencies, Page 42

Bank president says he has 'much to learn' from criticisms

By Robert Peston, Banking Editor, in London

MR JACQUES ATTALI, president of the European Bank for Reconstruction and Development, said yesterday that he had "much to learn" from criticisms that controls of expenditure at the bank had not been tight enough.

However, he added: "I am not planning to resign". Mr Attali said that "more than two or three" of the bank's governors, who are finance ministers or top officials from the 56 countries and agencies which own the bank, had telephoned him to offer support, following criticisms of his stewardship of the bank.

He said that the "most important question which needs to be answered" is whether this bank needs to exist or not. The importance of the bank, which provides loans and investments to encourage the growth of market economies in eastern Europe and the former Soviet Union, is that "it is part of the international response to the urgent need of central and eastern Europe".

Mr Attali was speaking as the bank published its annual report for 1992. The report says that the board approved 54 investment projects in the year with a total EBRD contribution of Ecu1.2bn (\$1.46bn). However, just Ecu1.28m was disbursed, consisting of Ecu75.8m of loans and Ecu50m of equity injections.

He said it was "entirely legitimate for the press to raise questions about the way in which we conduct our affairs". He justified the lavish furnishings of the bank's new headquarters, in London's Broadgate complex, by saying that work on fitting out the building was proceeding "within the approved budget". He did not comment on the issue of whether the budget itself was excessive.

"With the benefit of hindsight, it is clear that we should have done certain things differently," he said. The replacement of the building's existing marble with new marble, at a cost of at least £750,000, fell "into this category". He said the bank's "overriding



EBRD president Jacques Attali in London yesterday: certain things should have been done differently

concern now is to learn from this experience". In order to tighten control over spending, Mr Attali said he was dividing the responsibilities currently held by Mr Pissaloux, who is both director of Mr Attali's cabinet and director of the budget.

He said there would now be "a full-time director" with budgetary responsibilities and a separate

concern now is to learn from this experience". In order to tighten control over spending, Mr Attali said he was dividing the responsibilities currently held by Mr Pissaloux, who is both director of Mr Attali's cabinet and director of the budget.

He said there would now be "a full-time director" with budgetary responsibilities and a separate

improvements will be made in the information supplied to the board about the budget".

He also confirmed that the board's audit committee was undertaking a review of the "costs incurred and the specific procedures followed in the fitting out of the bank's headquarters".

Annual report details, Page 3

Corruption charges threaten Yeltsin's referendum hopes

By John Lloyd in Moscow

PRESIDENT Boris Yeltsin last night faced the gravest threat to the success of his referendum campaign when the prosecutor-general's office issued a statement implicating the Russian defence minister in "illegal deals" involving former Soviet military property in east Germany.

General Pavel Grachev, the defence minister, has strongly supported Mr Yeltsin and has so far ensured the loyalty of the military. One source close to the security services said last night that he would be forced to resign.

The allegations came at the end of a day in which the bitterest between Mr Yeltsin and par-

liament erupted in a series of charges and counter charges. The parliamentary press office distributed a statement, claimed to be based on security services' information, that Mr Yeltsin planned to falsify the results of Sunday's referendum and to impose presidential rule with the help of armed Cossack regiments.

The country's main headline groups announced the formation of a public committee for the protection of the constitution, uniting nationalist and communist parties and previously centrist parliamentary factions.

Mr Vladimir Isakov, leader of the Russian Union faction, said the group would use "all means including civil disobedience and resistance... if we encounter

open violence to the constitution this means we will defend the constitution by the use of force". Mr Yeltsin, on a campaign trip to the city of Izhevsk in the Udmurt Republic, promised "tough measures" against the opposition.

The corruption allegations against Gen Grachev came a week after Gen Alexander Rutskoi, the vice-president, who has emerged as the main opponent of Mr Yeltsin, alleged massive corruption on the part of close presidential aides - including a charge that Mr Mikhail Poltoranin, head of the Federal Infor-

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Satchis advise, Page 2
Russian referendum, Page 4

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NEWS: EUROPE

The Bundesbank springs another interest rates surprise

By David Waller in Frankfurt and Quentin Peel in Bonn

THE Bundesbank proved once again yesterday that it likes nothing better than to be the master of the unexpected.

On Wednesday, the bank published poor money supply figures, and Mr Theo Waigel, the finance minister, issued a dire prognosis about the state of public finances.

Neither development was thought likely to encourage further loosening of German monetary policy and economists and bond traders had

resigned themselves to a quiet Thursday afternoon contemplating the German central bank's profit figures - the reason given in advance for yesterday's press conference.

The Bundesbank was almost predictably unpredictable yesterday, wrong-footing observers with cuts in official rates. The Lombard rate was cut 0.5 per cent to 8.5 per cent and the discount rate by 0.25 per cent to 7.25 per cent - the first cuts in official rates since March 18.

In the weeks since the last cut, the market's attentions had been focused on the Bundesbank's weekly

activities in the money markets. Week by week throughout April, the German central bank tantalised observers by making a series of minuscule cuts in the rate at which it provides wholesale funds to the banking community.

This created the psychological climate where markets were prepared to continue being disappointed - and found themselves pleasantly surprised yesterday - even though the cuts in themselves were hardly going to reverse Germany's increasingly severe recession.

Mr Helmut Schlesinger, Bundes-

bank president, made little direct reference to the real economy yesterday, saying the decision was justified because money supply for all the short-term disappointment of Wednesday's figure - was again under control.

However, economists are convinced the Bundesbank is increasingly tailoring monetary policy to developments in the real economy. The gravity of the recession was underscored by figures from Bonn on Wednesday showing the economy had further deteriorated since March.

And Mr Waigel's forecast that his central government budget deficit could reach DM88bn-70bn, compared with an earlier forecast of just DM54bn, has shaken business confidence. The main factors in the increase are the costs of higher unemployment, a shortfall in tax revenues, and the burden of subsidising eastern Germany.

Inflation is still running at over 4 per cent in the west of Germany - more than twice the central bank's long-term target of 2 per cent. In this context the rate cut shows the Bundesbank's recognition of the severity

of the downturn, economists said. Yesterday's cuts have already set off expectations of further reductions soon. June 17 is already being touted as the date for the next cut in official rates.

The Bundesbank, however much it may now be committed to bringing rates down further, is likely to do this only in a way which continues to maintain the element of uncertainty. It is eager to avoid the danger that the D-Mark will weaken as investors make the assumption that German interest rates are set to plunge rapidly and quickly.

Saatchi in wings for debut of the Yeltsins

By John Lloyd in Moscow

A SLICE of life in the Yeltsin household broadcast earlier this week on Russian television instantly became a big talking point. It was something akin to the reaction of the British on seeing the family life of the royal family for the first time three decades ago. But how natural was it?

Saatchi and Saatchi, the advertising agency credited with past successes for the British Conservative party, thinks it may have been in part their work.

Speaking yesterday for the first time about the part the agency has played in assisting Mr Yeltsin in his referendum campaign, Mr Steve Hilton, a Saatchi executive, said he had worked with a Russian agency in the weeks before the campaign and made a series of recommendations about Mr Yeltsin's image - recommendations which seem to have been heeded.

In association with Gallup Poll and basing his recommendations on group discussions with Russian citizens in half a dozen cities, Mr Hilton wrote a memorandum last week which advised the Russian leader to play to his perceived strengths.

"People saw him as strong, so we advised him to put himself forward as a strong leader for a strong Russia. He was seen as mainly and as simple, straightforward."

The film of the Yeltsins at home featured all of these characteristics.

Another of the Saatchi-Gallup findings was that the Russian Congress of Peoples' deputies was deeply unpopular.

"We found nobody with a good word to say about them. So we advised that Yeltsin could be very negative about them; much more negative than would have been the case in a western campaign."

Mr Yeltsin, and his ministers and aides, have represented the Congress as Communists who want to turn the clock back to the worst days of the Soviet Union.

"We thought that this should be a very Russian campaign," said Mr Hilton. "We advised that there should be a lot of endorsements from famous people, like actors and actresses, so that the idea of voting for Yeltsin would be fashionable."

Mr Yeltsin has the wholehearted backing of the intelligentsia and the artistic circles of Moscow - meeting them in the Bolshoi theatre and being welcomed on platforms by famous actresses.

"We didn't have much time," says Mr Hilton, who had worked on last year's UK Conservative campaign for months before the general election. "And I thought at first that it was almost a lost cause. We weren't able to do poster and television campaigns: all we could do was to recommend themes which Mr Yeltsin and his supporters could stress in speeches and in briefings to the media."

The Saatchi effort was spearheaded in Moscow by Mr Hilton, who travelled throughout Russia with Mr Gordon Heald of Gallup to listen for himself to the opinions of Russians. In overall command in London was Mr John Maples, a former treasury minister who, since his defeat in the last election, has been head of Saatchi's government communications worldwide division.

Because of the sensitivities of the president's team about being seen to be advised by foreign companies, Saatchi and Gallup worked with the Mnenie ("Opinion") polling company.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 6000 Frankfurt am Main 1, Germany.
Telephone: 49 69 156 850, Fax: 49 69 594481, Telex: 416133. Registered in Germany.
Editor: David Butler, Managing Director.
Printer: D.V.M. Druck-Vertrieb, 1521 Rue de la Paix, F-91000 Romilly.
Circulation: 1,148,753. Commissionaire: D.C.M. 801.
FRANCE
Publishing Director: J. Rolley, 168 Rue de Rivoli, F-75004 Paris Cedex 01.
Telephone: 01 4297 0621, Fax: 01 4297 0629, Printer: S.A. Nord Edito.
ISSN: 1148-7533. Commissionaire: D.C.M. 801.
DENMARK
Financial Times (Scandinavia) Ltd, Vindmøllevej 42A, DK-1161 Copenhagen K. Telephone: 33 15 44 44, Fax: 33 33 53 35.

Spain acts to defend peseta's EMS rate

By Tom Burns in Madrid

THE BANK of Spain raised its unofficial intervention rate yesterday and intervened strongly on the money markets to defend the peseta's central parity rate with the exchange rate mechanism of the European Monetary System.

Speculation against the peseta brought it down to a low of Ptas3.10 to the D-Mark before the Madrid authorities took action, raising the overnight rate from 13.35 to 14 per cent, and part of Spain's \$45bn reserves were put aside for the peseta's defence.

The action served to steady the peseta and lifted it to Ptas72.80 against the D-Mark, above its Ptas72.88 parity in the Exchange Rate Mechanism. The markets are however watching for clearer signals today when the Bank of Spain sets its benchmark intervention rate at an auction for certificates of deposits.

The attack on the peseta, and the defence of it, highlighted the nervousness surrounding the Spanish currency, for the developments occurred before Germany's Bundesbank cut its Lombard and discount rates.

At the root of speculation against the peseta is the political instability that has engulfed Spain ever since Prime Minister Felipe Gonzalez last week announced a snap election to be held on June 6. Fuelled by the speculative attacks is, on one hand, the belief that the Spanish economy is in the midst of a recession and that the peseta is strongly overvalued, particularly in the wake of the Bundesbank's rate cuts.

On the other hand, the market perception is that the ruling Socialist party will do all that lies within its power, using the Bank of Spain's reserves as necessary, to ensure monetary stability before the elections.

Peugeot loses resale court fight

By Andrew Hill in Brussels

PEUGEOT, the French car maker, will have to allow its Belgian and Luxembourg dealers to supply independent intermediaries with cars for resale in other countries, following a European Court ruling yesterday.

The decision should end Peugeot's long-running legal campaign against Ecosystem, a Rouen-based intermediary which resells cars bought at lower prices in Belgium and Luxembourg.

The court yesterday threw out appeals from Peugeot against a December 1991 European Commission decision, forcing the carmaker to lift its ban on dealers in those countries supplying Ecosystem.

Under EC rules, it is not illegal for intermediaries to import cars on behalf of individual customers. Sir Leon Brittan, then competition commissioner, warned the French car maker in 1991 that its Belgian and Luxembourg dealers would forfeit protection from normal competition rules if the restrictions were not ended.

At the same time, the Commission laid out a code of buying and marketing practices for intermediaries.

The Peugeot/Ecosystem case has been at the centre of an often acrimonious debate about the exclusive dealership system operated by European car manufacturers. The system is exempt from competition rules until 1995, and consumer groups complain that it helps perpetuate price differences across Europe.

Car makers say the dealership system is needed to ensure a proper after-sales service. They say car price differences are mainly due to other factors, such as discrepancies between car taxes.

Peugeot results, Page 18

UK may back US on bombing Serbs

By David White and Philip Stephens in London and Laura Silber in Belgrade

BRITAIN signalled yesterday that it was ready to give reluctant backing to a move by the US administration to bomb Serbian supply lines in Bosnia or to lift the international arms embargo on the Bosnian Muslims.

As Washington continued to weigh its responses to the latest Serbian advances in the former Yugoslav province, senior British ministers said that they now judged President Bill Clinton almost certain to announce new measures against the Serbs.

The London government has drawn up detailed contingency plans to withdraw at short notice its 2,400-strong contribution to the UN humanitarian effort if the US stance brings an escalation in the fighting.

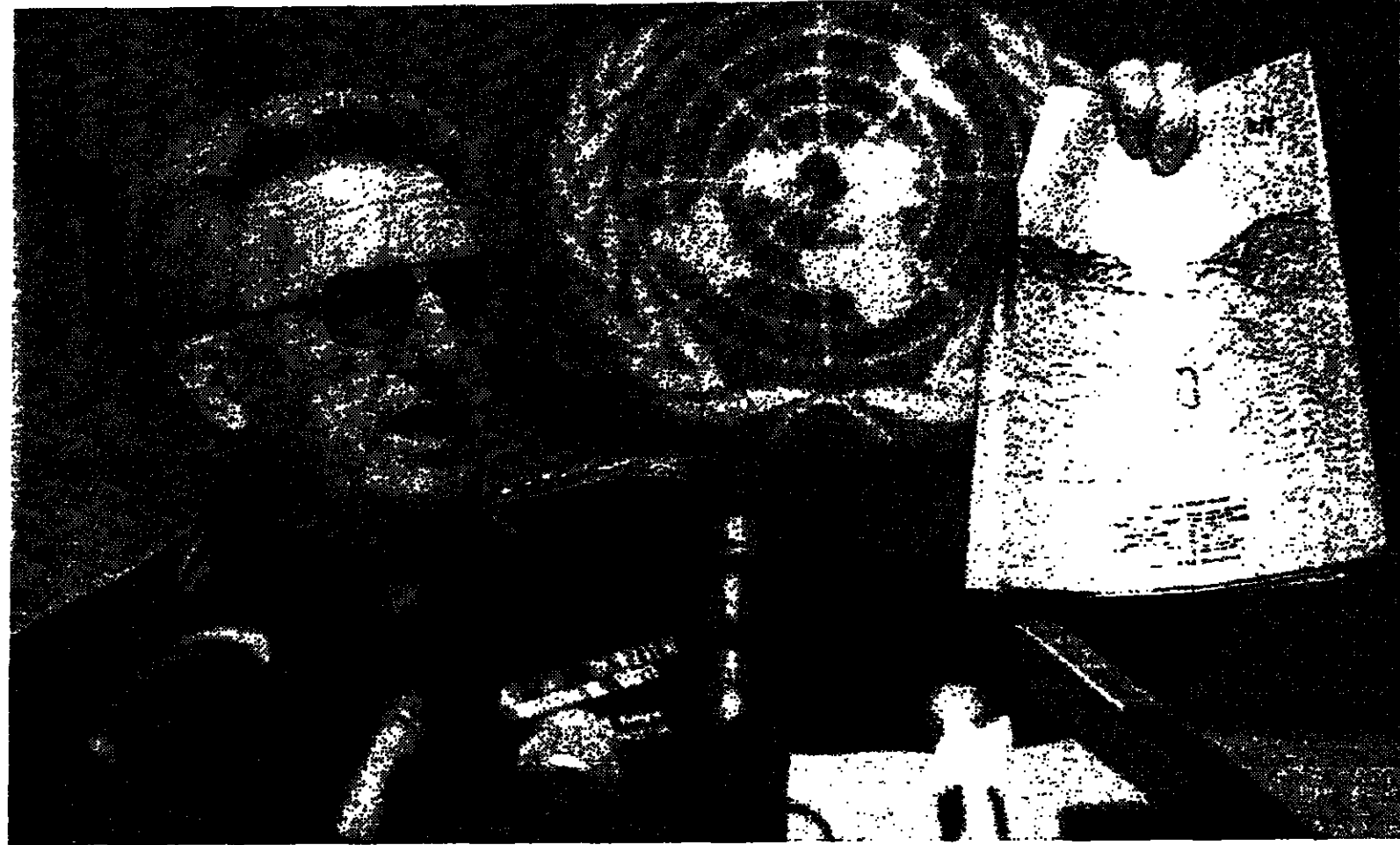
Mr Douglas Hurd, the foreign secretary, told a cabinet meeting that it was uncertain whether he would choose lifting the arms embargo or the threat of air strikes. But ministers concluded that in either case it would be impossible for Britain to stand out against such a move.

Meanwhile, Canadian UN troops in Srebrenica are prepared to use force to protect the demilitarised zone, the commander of the UN Protection Force in former Yugoslavia said yesterday.

"The order is that the [troops] protect this demilitarised zone as peacekeepers," Lt Gen Lars-Eric Wahlgren, the UN Protection Force (Unprofor) commander, said at a news conference in Zagreb. "That means that if somebody tries to enter it with force, they will use force in self-defence."

However, a UN official said the remarks by Gen Wahlgren did not imply the troops were ready to defend the eastern Bosnian town if the ceasefire broke down and Serb besiegers resumed shelling. "We have no mandate, no ability and no intention of defending Srebrenica by the use of force," the official said.

The 150-strong UN contingent consists of lightly-armed infantry soldiers with thinly-armoured personnel carriers



Gen Lars-Eric Wahlgren shows a computer map of the besieged Bosnian town of Srebrenica to the press at Unprofor headquarters in Zagreb yesterday

and a few trucks and jeeps. The nearest reinforcements are Canadian and British soldiers at Tuzla, 60km away and the other side of the confrontation line.

The cease-fire in Srebrenica which was agreed by the Bosnian Serb and Muslim military commanders last weekend was holding and an Unprofor spokesman in Sarajevo said that UN troops had completed the destruction of weapons handed in by

the Muslim defenders of the town.

However, one of the commanders of the Serb besieging forces said that the Muslims had surrendered "a ridiculously small" quantity of "mainly obsolete and useless" arms.

In central Bosnia, Muslim and Croat forces, once allies in the struggle against the Bosnian Serbs, continued to fight for territory, breaking a brief ceasefire negotiated hours earlier.

The UN Security Council said on Wednesday that it was appalled by the atrocities against civilians in the area. "In particular the setting on fire of Muslim houses and the shooting of entire families in two villages by Bosnian Croat paramilitary units."

Some 250 people, mainly civilians, have died in the Croat-Muslim clashes over the past few days.

Muslim-controlled Sarajevo radio said Croat forces had captured the

town of Vares, 35km north of the Bosnian capital. It accused the Croats of shelling Muslim positions around Kiseljak, to the west of Sarajevo.

The radio also said that 12 people died in the shelling of Gorazde over the last 24 hours.

In western Croatia, one Czechoslovak peacekeeper was killed and two wounded in a Croat attack on Gospić, amid mounting clashes between Croat and Serb forces.

EC states split over carbon tax controversy

By David Gardner in Brussels

CONTROVERSIAL plans for a European Community energy tax to combat global warming look unlikely to progress much further when environment and energy ministers of the 12 member states meet in Luxembourg today.

Although six EC countries, led by Germany, formally supported the tax last month, opposition to the levy, spearheaded by the UK and Spain, looks set to prevent any unanimous recommendation to the EC's finance ministers, with

whom the final decision rests. Today's extraordinary "jumbo" Council of Ministers was called by the Danish presidency of the EC in the hope of getting a political agreement to introduce the tax when finance ministers meet in June.

But the draft conclusions prepared for the ministers by senior officials of the 12 reveal a clear split which today's meeting may be able to paper over but is unlikely to resolve.

"The idea was to send a clear signal" to the June finance ministers' meeting, said one senior UK official. "But if

there's a split it will be a mixed signal." The tax would put \$3 on each barrel of oil equivalent, rising to \$10 by the year 2000, half on the fuel content of all non-renewable fuel and half on its carbon content.

Germany, the Netherlands, Belgium, Italy, Luxembourg and Denmark all insist it is indispensable if the EC is to meet its commitment to stabilise carbon dioxide emissions at 1990 levels by 2000. At Belgium's proposal, they call in the conclusions for the tax to be recognised as "a key element

of the global strategy" to fight the greenhouse effect. The UK has inserted the rival formula that "fiscal instruments at Community and/or national level may be necessary as elements of a global strategy" - an implicit reference by the government that its raising of fuel charges in the last budget will enable the UK to meet the emissions target without an EC-wide tax.

Ministers will today have to decide which of these counterpoised draft amendments they steer closest to. The Danish presidency is hoping to blunt

the opposition of the poorest four EC states led by Spain, by proposing a three-year pause before they would have to introduce the levy. France is equivocal about the mix of the tax, favouring instead a levy purely on fossil fuels in order to protect its extensive nuclear energy generation.

Supporters of the tax hope this week's promise by US President Bill Clinton to match the EC's emission stabilisation targets, along with US fuel tax plans, will strengthen their case. Introduction of the tax has been made conditional on

the EC's main trading partners adopting similar measures, to safeguard European competitiveness.

British officials were yesterday dismissive of the US moves, however. "Those noises are still some way from meeting the Community's conditionality targets," one said.

They add that European Commission studies, showing that purely national efforts to reach the EC stabilisation target, which would result in a 3 per cent increase in CO₂ emissions by 2000, are "well within the margin of error".

Ukraine alters key nuclear clause

By Oleg Mamayev in Kiev and John Lloyd in Moscow

UKRAINE'S parliament yesterday revived fears of a resurgence of nuclear tension in eastern Europe when it put into question the country's commitment to become a non-nuclear state.

In a closed session, the deputies in the Kiev parliament changed a key clause in a draft on military doctrine which read that Ukraine would in future become a non-nuclear state to read that nuclear weapons would stay on its territory for a "transitional period", according to deputies

after the session last night.

Ukraine has 176 strategic nuclear missiles in its possession and under its control in spite of repeated demands by Russia that it allow these missiles, part of the forward Soviet nuclear force, to remain under complete Russian control.

The country has also so far refused to sign either the Start 1 or Start 2 treaties - a refusal which is jeopardising Russia's ratification of Start 2.

The ultimate decision and technical means to fire the missiles remain in Moscow. However, Russian security analysts said this week that Ukraine was capable of devel-

oping its own command and control system rapidly in a short period.

Despite the change, the draft doctrine fell some 37 votes short of being adopted when put to a vote of the deputies.

According to Mr Stepan Khmara, a nationalist deputy, the draft was turned down because of continued dissatisfaction that it was "too mild".

Earlier, Mr Leonid Kravchuk, the Ukrainian president, had told a noisy chamber that the country must sign Start 1 and claim non-nuclear status. At the same time, Mr Kravchuk said that Ukraine had the right to expect greater compen-

sation from the west for destroying the weapons. A senior official, speaking on condition of anonymity, said that "if the US had given money for this before, we wouldn't be having such debates today".

Ukraine has asked for \$2bn to help liquidate its nuclear weapon stock.

Parliament is due to return to the issue of the military doctrine next month. However, even liberal deputies were last night forecasting that the likely trend in the parliament was towards retention of nuclear force for the foreseeable future.

Amato hands in resignation

By Robert Graham in Rome

THE search began last night for a new Italian government based on a broader political consensus to carry out reform of the electoral system.

This followed the formal announcement by Prime Minister Giuliano Amato that he was handing in the resignation of his four-party coalition to President Oscar Luigi Scalfaro. The coalition of Christian Democrats, Socialists, Social Democrats and Liberals was formed on June 30 last year.

Mr Amato had foreshadowed the end of his government, Italy's 51st since the war, in a statement to parliament on Wednesday. However, he waited until the end of yesterday's one-day parliamentary debate on the impact of Sunday's referendum result before informing parliament.

This was to observe a constitutional nicety - if the announcement had been before the debate, the debate itself could not have been held.

Mr Scalfaro is expected to play a key role in brokering an agreement. It is the first time an Italian president has found himself in such a pivotal position, with the leaders of the main parties, who have traditionally dictated the choice of governments, having such reduced power.

The president has conducted

informal soundings and he has made it known he is anxious to see a new government formed as soon as possible to avoid a power vacuum. But as yesterday's debate showed, the forging of a consensus round a government with broad parliamentary support could prove difficult.

During the debate Mr Mario Segni, the leader of the referendum movement whose political position has been boosted by the overwhelming endorsement of his referendum proposal to reform the Senate electoral law, avoided any suggestion he might be willing to head a new government.

This contrasted with his offer to head a government in the wake of last April's general election.

However, Mr Umberto Bossi, leader of the Lombard League which controls nearly a third of the vote in northern Italy, backed the idea of a Segni government. The other political leaders were clear in stating what they did not want but less so in demanding what they wanted. The only consensus was on avoiding an immediate dissolution of parliament and that the next government should have a limited timespan, sufficient to agree new electoral laws.

In any event the Amato government will continue on a caretaker basis.

مكتبة الأمل

□ Different currencies show different spending levels □ Investment track record criticised □ Disbursement a headache in East Europe

Overspend at bank put at 20%

By David Marsh and Andrew Jack

THE European Bank for Reconstruction and Development's accounts show spending on overheads last year exceeded its budget by 20 per cent in terms of European Currency Units.

The bank insists that its costs - most of which are paid out in the British currency - were in fact less than budgeted when measured in sterling.

Overhead expenses net of government grants came to Ecu50.7m, compared with the budgeted Ecu42.1m, up from only Ecu12.2m in the bank's start-up year in 1991.

At the Ecu exchange rate at the beginning of 1992, the budgeted figure for last year was the equivalent of £30.1m. At the Ecu rate at the end of 1992, the actual amount spent was the equivalent of £40.4m.

Despite this, EBRD officials said yesterday that, compared with the original sterling figures forecast for 1992, spending showed a slight fall.

EBRD officials said yesterday that the difference between the sterling and Ecu calculations partly reflected the impact of procedures for depreciation of capital spending. It said the discrepancy was also due to transactions carried out at the start of each year to translate the bank's income - denominated in Ecus, and accruing in a variety of currencies - into sterling for spending during the year.

This practice of "hedging" its Ecu income is meant to avoid exposing the bank to foreign exchange risks. In fact, it meant that the EBRD failed to benefit, as it would otherwise have done, from sterling's sharp fall against European currencies towards the end of the year.

The bank's overall administrative costs, including personnel costs, totalled Ecu96.2m last year, slightly higher than the budgeted Ecu85.2m.

The relatively small overshoot reflected the impact of lower-than-budgeted personnel costs, which amounted to Ecu45.5m compared with the budgeted Ecu45.5m - a fall



Smouha: lead partner in audit

which was presumably due to the decline of sterling during the year.

Mr Jacques Manardo, the principal accountant responsible for EBRD's audit, yesterday said he was fully satisfied with the internal controls operated by the EBRD. "It's a small, well managed operation. I don't perceive any lack of transparency," he said.

Deloitte Touche Tohmatsu won the audit for the EBRD after a competitive tender among the leading international accountancy firms.

The audit is co-ordinated from London, although the audit report is signed from Paris because that is Mr Manardo's base.

The lead partner on the audit is Mr Brian Smouha, liquidator of the collapsed Bank of Credit and Commerce International and a banking partner with Touche Ross, the DTT affiliate in the UK.

There are another four auditors in London, and about six more overseas, with auditing of loans and operations in eastern Europe co-ordinated by an accountant in DTT's Budapest office.

The accounts are prepared in accordance with international auditing and accounting standards, modified to meet the structure of the bank and certain EC regulations.

Attali pledges to triple EBRD investments

Anthony Robinson takes stock of the Bank's successes and failures in stimulating private enterprise

"IT IS not fair to judge a new aeroplane by its altitude just after the take-off," Mr Jacques Attali, president of European Bank for Reconstruction and Development, protested yesterday as he summed up the first full year's operation of what he called this "unique" institution with its mandate to focus exclusively on helping the former Soviet bloc develop democracy and private enterprise.

Particularly, he might have added, as it was taking off with a newly recruited multinational crew from 40 countries and heading for the turbulence of unprecedented problems demanding innovative solutions.

Take for example the case of Balkancar, the Bulgarian fork-lift truck maker, which used to work round the clock on a three-shift basis supplying cheap, rugged forklifts to the entire Comcon market.

Its plants now work two or three hours a day, hundreds of workers face layoffs, the plant faces bankruptcy - but throughout the former Soviet Union, forklifts are being scrapped because of the lack of elementary spare parts.

Hungary's Ikarus bus factory, the Czech republic's CKD tram factory and Skoda's locomotive plant, which used to supply the Soviet railways, face a similar dilemma.

The EBRD, according to Mr Ron Freeman, the head of merchant banking, is currently looking for ways of helping Russia finance the import of spare parts from Balkancar to keep Russian factories and warehouses in operation and provide a breathing space until Balkancar itself can be reorganised and eventually privatised.

Searching for imaginative ways of keeping state-owned behemoths afloat is not strictly speaking part of the EBRD's mandate.

It is expected to allocate 60 per cent of its funds to private enterprise.

Unfortunately, privatisation has hardly started in Bulgaria, bank reform is incomplete, and thus far less than \$100m (265m) of private investment has flowed into this Balkan neighbour of warring Serbia.

Mr Alexander Bozhov, head of the Bulgarian privatisation agency, says: "We are disappointed with the EBRD

because it has not yet finalised any projects here. But I have to admit that's largely our fault because we have not prepared any concrete proposals either."

The list of EBRD projects approved last year, as detailed in the annual report, reflects the wider experience of the World Bank, the IMF and private investors who have all concentrated their first efforts on those countries which have stabilised their currencies and have introduced privatisation, banking and bankruptcy laws and reformed their tax systems.

The bulk of approved EBRD projects are in the Czech republic, Hungary and Poland. Private investors have put \$7bn into these three states - but little elsewhere in the 22 countries in which the EBRD operates, except for a few potentially big, capital-intensive projects in resource-rich, private-investor-welcoming new republics like Kazakhstan.

Mr Attali pledged that the rate of disbursement of EBRD financing would triple this year as projects in the pipeline came to fruition and key reforms, especially banking

sector modernisation and the cleaning-up of enterprise balance sheets, fall into place.

The exponential growth in private sector enterprise - it already accounts for well over half the GDP in Poland and is rising throughout the region - should also make it easier to raise the proportion of funds going to local entrepreneurs.

Until now, however, the figures show that it has proved easier to make co-financing deals with the existing international institutions, banks and private companies than to lead to fledgling local entrepreneurs with no real track record and little chance of attracting funds from private banks or other sources than their own.

The classic deal of this kind was EBRD's modest Ecu102m (£80m) contribution to Volkswagen's eventual Ecu3.49bn commitment to Skoda in the Czech republic, followed by its part financing of Air France's investment in Czechoslovak Airlines.

In Poland the EBRD contributed Ecu5.5m to AAB's Ecu15.4m extension to its ABB

Dolmel venture in Poland, and has co-financed the Pilkington glass project in Huta Sandomierz and Lucchini of Italy's modernisation and acquisition of the Huta Warszawa steel works.

The EBRD's initial emphasis on co-financing western projects, on financing endless technical studies, pilot privatisation projects and its cautious, commercial approach to lending to fledgling local entrepreneurs has its critics in eastern Europe as well as London.

"The EBRD promised to be innovative but in practice it's very conventional," complained a Polish businessman frustrated by lengthy correspondence and meticulous procedures.

The hope in eastern Europe is that the bank will be better able to accomplish its primary purpose of helping to foster local private initiative and enterprise once bank reform, bankruptcy and property laws are in place.

The concern is that the bank will get too involved in long-term infrastructure, energy and environmental projects, including the new

nuclear safety facility.

Significantly however, two of the latest EBRD initiatives are directed at helping the growth of private banking in eastern Europe. It has just subscribed to 20 per cent of the shares of Ion Tiriac bank, the leading privately-owned bank in Romania, and a 28 per cent stake in Poland's Wielkopolski Bank Kredytowy. The bank is also involved in a complex Polish scheme involving 180 companies which figure as bad loans on the books of Polish banks about to be privatised.

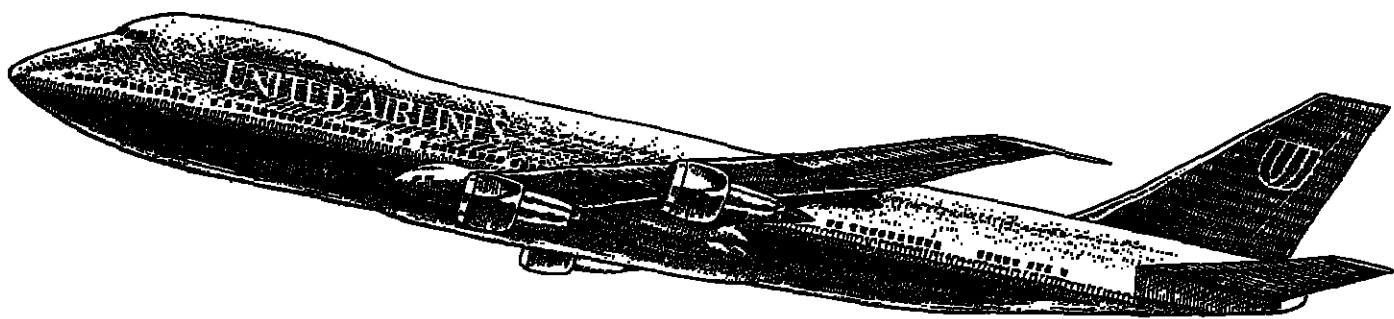
In these cases the EBRD stepped in where private western banks have thus far been reluctant to tread. Eastern Europe is a risky part of the world for pioneers.

Given the banks' cost structure and organisation it is not able profitably to make loans smaller than around Ecu5m.

But by lending to fledgling local banks which are equipped to exercise due diligence and assess the creditworthiness of small to medium private companies the EBRD hopes to be better able to fulfil its mandate to help the emerging private sector.



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You win some... you lose some...

Some bankers are questioning EBRD's expertise as well as its luck, reports Nicholas Denton

ANY investing institution has its share of successes and failures. The European Bank for Reconstruction and Development has proved no exception. It is unfortunate for the EBRD's reputation however that the bank's first and most closely watched equity involvement, in Microsystem of Hungary, is one disappointment.

Microsystem, a leading private computer company, looked a good prospect when the EBRD in December 1991 approved an investment.

Eight software experts had founded the firm in 1983 with "some programming expertise, \$2,000 and a pencil." Microsystem rode the back of the personal computer boom to expand rapidly in the second half of the decade. The company evaded Cocom restrictions on technology transfers, imported clones from Asia and added huge mark-ups to the prices charged to Hungarians.

In the early 1990s Microsystem diversified into telecommunications, a growing sector in eastern Europe. The company's managers did not, however, want to lose their independence by teaming up with a large western computer company.

So Salomon Brothers, the company's advisers, brought in the EBRD as a core outside shareholder around which other investors would congregate. The EBRD paid \$3m (£1.95m) for a 17 per cent stake.

The bank held up the investment as a model. The transaction countered criticism that the Bank was dealing too much with state companies and institutions, rather than encouraging the nascent private sector in eastern Europe.

"Everybody was happy," says Mr Peter Vadasz, chairman of Microsystem. That is no longer so, as Microsystem's financial performance rapidly soured the relationship with EBRD.

Fierce price competition in the computer business world-wide combined with the opening of the local market to legitimate imports. Companies such as Microsystem, which developed high overheads in the days of high profits, suffered from undercutting by western distributors. Microsystem plunged into loss in 1992 and turnover slumped 24 per cent to Ft1.8bn (£1.3m), although the company now detects a recovery in profitability.

The EBRD is clearly dissatisfied with Microsystem's financial performance. For his part, Mr Vadasz has expressed irritation at constant demands for information from shareholders. Mr Vadasz is also disappointed that the EBRD's seal of approval carried so little weight for customers.

"We promised high profits; they promised help; neither of us kept our promises 100 per cent," Mr Vadasz says.

Nevertheless EBRD officials adopt a stoical stance. The name of the game is investment, says one: "You win some, you lose some." EBRD's Budapest office prefers to point to winners such as Petofti Nyomda, a successful privatised printer which has received EBRD credits.

But some bankers question the EBRD's expertise as much as its luck. Says one senior figure who was invited to participate in the Microsystem placement: "It is a disaster, a totally irresponsible deal. I think that company has no future."

This kind of comment is particularly damaging for the Bank. For the EBRD prides itself on a catalytic role. The bank boasts that its presence gives a seal of approval to a transaction and attracts other investors.

But that depends on the investor community's confidence in the EBRD's judgment. The Bank cannot afford too many Microsystems.

NEWS: RUSSIAN REFERENDUM

Tired Yeltsin may win apathetic Yes

A faltering president has fought a wooden campaign, failing to inspire the Russian people

By John Lloyd in Moscow

This man Yeltsin

THE Russian referendum on Sunday is likely to be as fatal a vote as any which Russians have made in their brief period of statehood. But the campaign has not been inspiring.

Mr Yeltsin, on his own admission yesterday, is exhausted. He has acted like it: he appeared briefly at a heavy metal rock concert outside of the Kremlin on Wednesday night with an aide supporting his elbow (though perhaps it was the appalling sound from the loudspeakers which made him weary).

On the campaign trail he has rejected the opportunity to energise and inspire his fellow Russians. Instead he has chosen largely to ignore them. His public appearances, as yesterday in Izhevsk in Udmurtia, have been curt and downbeat, his speeches bland, his message crudely simplified.

The referendum itself is the result of horse trading between a president and parliament who had grown not just to distrust, but to hate, each other. The original impulse of Mr Yeltsin to seek a simple vote of trust, was amplified at the last Congress of People's Deputies in early April into a four-question ballot on trust, approval of the government's economic and social programme and early elections for president and parliament.

The outcome is uncertain: polling in Russia is in its infancy, and the better established organisations - like Mnenie (Opinion) point to wide regional disparities and a very high proportion of people still undecided.

The consensus is that Mr Yeltsin will win on "trust", may lose on support for his economic programme and that those voting either for or against the two questions on early elections for parliament and presidency will not have sufficient numbers to cross the threshold of 50 per cent of the electorate required by these two questions.

Insofar as Mr Yeltsin and his associates have elaborated them, they have been simple and stark. Mr Yeltsin has posed the choice as being between himself and chaos - and communist chaos, at that. In this he has been supported by a number of his ministers.

Mr Andrei Kozirev, the foreign minister said in Arkhangelsk earlier this week that "a No vote would mean that Russia will be forced back into isolation and confrontation with the world". Mr Anatoly Chubais, the deputy prime minister for privatisation, said that "battle hardened communist forces" already attacking his privatisation



MAYOR OF MOSCOW: outlining his plans for the city



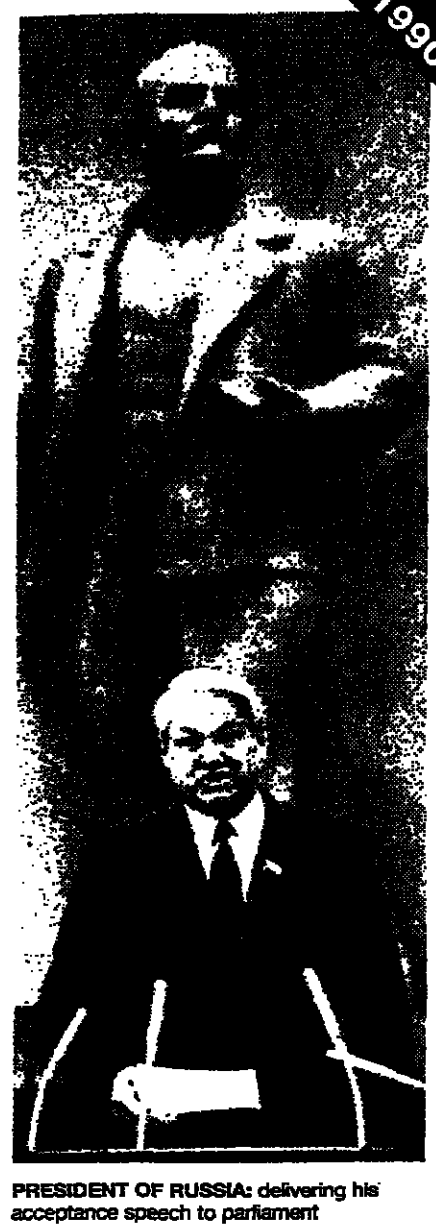
PARTNER WITH THE WEST: sharing the limelight with Group of Seven leaders at their summit in Munich



LEADER OF THE PEOPLE: celebrating with a tank driver the restoration of constitutional government after the failed coup against Gorbachev



A TROUBLED MAN: holding back tears at the funeral of his mother



PRESIDENT OF RUSSIA: delivering his acceptance speech to parliament

drive, would "wholly reverse" the reforms if the referendum was lost.

Against this, the opposition have focused on the issue of corruption, undoubtedly striking a popular chord. Since the scabrous speech by Vice-President Alexander Rutskoi to parliament last week, much attention has focused on his allegations of criminality or criminal negligence against the government and inner circle of Yeltsin advisers.

Yesterday the prosecutor-general's office said it was investigating allegations that defence minister

Pavel Grachev was involved in a swindle involving property belonging to Soviet troops in Germany.

How far Mr Yeltsin himself has been touched by this cannot be ascertained - though his press secretary expressly denied a story published by Pravda alleging that he had built himself palatial dachas in various locations in Russia.

For the poor, who form a large proportion of the Russian population and who - on polling evidence - are largely against Mr Yeltsin, the

undoubted corruption of state officials is a terrible added insult to their mean lives.

To offset such sentiments Mr Yeltsin has issued a series of decrees over the last two weeks which have been nakedly aimed at buying support: one doubled the minimum wage to Rb54,500 a month, albeit still below the poverty level.

The real issues facing the country - the largely unfulfilled prospectus of economic reform above all - have not had much of an outing - certainly not from the president,

whose most animated utterance yesterday was when he shouted to a crowd of supporters in Izhevsk that "I have come to solve all your problems".

Beneath the surface, a scarcely-disguised anxiety is evident among the radicals who still form the economic backbone of Mr Yeltsin's team. Mr Yegor Gaidar, the former prime minister, warned in St Petersburg on Tuesday that "a retreat has started in economic policy and forces are at work which could restore state control over the economy".

Mr Chubais, asked about Mr Yeltsin's appointment of his long-time associate Mr Oleg Lobov as first deputy prime minister for the economy, saw it as the possible reassertion of the rule of Gosplan, the once-dominant central planning ministry.

Mr Yeltsin has said he will resign if he loses. He may, of course, change his mind if he is persuaded that to hand over power (as the constitution demands) to General Rutskoi would be to betray his

reform path. In this case a dangerous situation arises: General Rutskoi has been drawn increasingly into the hardliners camp led by the Russian Unity group, whose leader, Mr Vladimir Isakov, yesterday announced that a newly-formed union of hardline forces would use force if they felt the constitution was being threatened.

The much-mooted civil war could find its origin there.

If he does lose and does go, the chaos painted by himself and his supporters would ensue only if General Rutskoi tries to make his temporary guardianship of the presidency until elections into a more permanent one, and cracks down on Mr Yeltsin's supporters and appointees.

There is a growing field of reformist politicians willing to compete for the top job: both Mr Sergei Shakhrai, the deputy prime minister and Mr Grigory Yavlinsky, the prominent economist, have said they will stand if Mr Yeltsin steps down. Mr Gaidar is a political as well as an administrative figure, and the cabinet contains other ministers - such as Mr Boris Fyodorov, Mr Chubais and Mr Alexander Shokhin, all with deputy premier's rank - who are competent and capable of standing the strain.

In the more likely eventuality of a victory on Sunday, Mr Yeltsin has several times indicated that he will embark on radical reforms. Last week he said he would bring in decrees aimed at widening private ownership and introduce a new phase of radical reform. Yesterday in Izhevsk he said that he would institute "tough measures" against his opponents: Mr Sergei Filatov, his chief of staff, said on Tuesday that a victorious Yeltsin would immediately seek to introduce a new constitution to replace the present one.

Most of these actions are likely to be unconstitutional. Indeed, the tougher they are, the more outside the current law they will be.

Since the referendum carries no constitutional weight, the formal power structure will be the same on April 26 as it is today: and it is on this structure, with its vested interests, many of which have retained their power and privileges from the Communist era, on which Mr Yeltsin and his team must launch themselves.

Maybe Mr Yeltsin has already discounted the referendum, and is garnering strength for the larger battle. He will need fresh strength if this referendum, meaningless in most obvious respects, is to take on symbolic value as an opening to further reform.

Vast logistical effort across 9 time zones

By John Lloyd and Gillian Tett

THE Russian referendum on Sunday is a vast logistical exercise. Across nine time zones of a huge land mass, electoral commissions are preparing ballot papers and electoral lists to allow Russia's estimated 107m voters to give a "da" or a "nyet" to four questions:

- Do you trust the president?
- Do you approve of his social and economic programme?
- Do you want an early election of the president?
- Do you want early elections of the people's deputies?

Each one must be answered separately.

Evidence is mixed but signs are most people will have the facilities to vote despite threats by some republics and regions to boycott the poll.

An example of how the referendum will be organised can be seen at the voting station in the Lenin Rayon district of Saransk, in the autonomous republic of Mordovia.

The Saransk electoral commission was first alerted in January, but preparations were put on hold during two months of infighting between parliament and Mr Yeltsin.

Once the form of the referendum was decided early this month, work was begun in Lenin Rayon, much of it by student nurses. Like most places in Russia they have no computers and everything is being done by hand or on battered old typewriters.

'We were given only two weeks to prepare but we will manage'

"We have to do a lot of work in a very little time," says Mrs Yelina Lyudmilla, chairman of the 14-strong electoral committee for Lenin Rayon.

The young nurses must first verify the district's 2,000 voters, then write out invitations, vote and address 2,000 envelopes and dispatch them by hand. When they come to the polling station the voters will exchange their slips for a ballot paper, go to curtained booths, and make their choice.

"We have a lot of experience from the Soviet time," says Ms

Larissa Vitalievna. "We had a debate about whether it would be appropriate to use red banners [from the communist period] and decided no. But it's a pity we won't be able to put on a show as beautiful as we did then."

The votes will take some days to count, especially from remote rural stations, with official results unavailable until the middle of next week. First results from the cities should be known late on Sunday night or early Monday morning. Western-style exit polls are not expected to be used.

The president's men are worried by the possibility of a low turnout, and by the refusal of some regions or republics to provide polling stations. Mr Sergei Filatov, chief of staff to Mr Yeltsin, said on Tuesday that their polling showed a possible turnout as low as 53 per cent.

He said that, according to their information, only 73 per cent of the voting districts were "technically ready" to conduct the referendum.

Mr Yeltsin felt it necessary to issue an order this week which specifies that the militia must turn out in force to ensure order during polling.

By Gillian Tett, recently in Saransk, Mordovia

IN the cold central square of Saransk, the shabby capital of Mordovia, the republic's embattled president is housed in a large, grey building. Locals mischievously call it the "white house" - a reference to the Russian presidential "white house" 500km to the west in Moscow.

In a virtual mirror image of the struggle being played out nationally, a political drama is unfolding in Mordovia which could call into question the very future of Russia as a federal state.

Earlier this month the Mordovian parliament, dominated by former Communist apparatchiks, moved to oust Mr Vasily Guslyannikov, the Mordovian president, who, like Mr Yeltsin, came to power through popular elections.

Mr Yeltsin issued a decree declaring the move illegal and ordered it to be reinstated. Mr Guslyannikov, this week Mordovia's parliament stepped up its challenge, establishing a parallel government and constitutional court.

Mr Guslyannikov, who still sits in the "white house" insists that according to the

Russian constitution he is still president, supported by Mr Yeltsin and the local militia.

The drama unfolding in Mordovia reflects a battle occurring in many regions between reformist governments and conservative parliaments. "What is happening here is a drive by the communists to regain power. The same thing is happening across Russia and in Moscow," says Mr Guslyannikov, a former engineer.

Across the square in the sugar pink building of the Mordovian parliament, deputies insist the newly written Mordovian constitution makes the president powerless. "The president can say what he wants, but no one obeys his orders," says Mr Nikolai Biryukov, chairman of the parliament, and a long time Communist.

Mr Guslyannikov became president in the same year that Mordovians voted overwhelmingly for Mr Yeltsin in Russian presidential elections. In two years he has freed prices, started land reform, and attempted to hold new elections for the republic's parliament. These moves have met with stiff opposition from parliament, which, like the Russian parliament, was elected under the old system. The par-



liament argues that Mr Guslyannikov's government is too inexperienced to rule, and that the pace of reform has been too fast.

"I favour a regulated market, not the chaotic bazaar that we have now," says Mr Biryukov, who believes land should remain collectively owned, that food prices should be regulated and that single candidate "elections" are perfectly valid.

Beyond the struggle over reform, there is also a second issue at stake: the status of Russia as a federal state. The Mordovian parliament insists it wants to remain part

of Russia, not least because the republic is heavily dependent on Moscow's subsidies - the largely agricultural republic is one of the poorest in Russia.

But parliament's refusal to recognise Mr Yeltsin's decrees illustrates the confusion that surrounds the status of the Russian constitution and the degree to which Russia's regions are successfully challenging Moscow's control.

The local militia and most of the weary 1m-strong population of Mordovia, a mixture of Russians and Finno-Ugric groups, remain aloof from the conflict, for the moment. Mr Biryukov has little outright

popularity, but Mr Guslyannikov's support has been crumbling fast as living standards have fallen and prices risen - only two people turned out to picket parliament this week.

But as the republic prepares for Sunday's referendum, this disenchantment seems likely to rub off on Mr Yeltsin too.

At a nursing college in Saransk, which is acting as a polling station, Mrs Larissa Vitalievna, an administrator, predicts that support for Mr Yeltsin will be weak. "Two years ago we believed so much and hoped so much. But the prices have gone up so much, and we see stupid people become millionaires and highly qualified people become poor."

In the countryside, a small band of new, private farmers remain solidly behind him.

However, most state enterprises are trying to ignore the power struggle, relying instead on Moscow for their trading licenses. "What we want is stability," sighs Mr Gennady Utkhin, head of Mordovia's only commodity exchange. "How can we ever hope to run or reform an economy, when we have two separate governments, sitting in two separate buildings, to deal with?"

Barnstorming campaigner seems to be losing will to win

HAS President Boris Yeltsin the will to win? It has not seemed like it, so far, in this "campaign". The barnstormer of presidential elections two years ago has become a wooden figure, walking through engagements and stumbling through speeches, write John Lloyd from Moscow and Gillian Tett from Izhevsk.

Yesterday he made a high-profile attempt to win the support of Russia's huge military industrial complex with a visit to the Russian republic of Udmurtia - hitherto one of the most militarised and secretive regions in the country.

But his appearance in the capital, Izhevsk, was far removed from the standards of western political campaigning. Although a small group of

Yeltsin's fire has faded since his experiences at this month's Congress

supporters turned out in the muddy streets to cheer the presidential cavalcade, Mr Yeltsin refused to give them more than a few stiff waves and a weak smile as he dashed between a series of closed-door meetings.

His visit to Izhevsk had been billed as the last leg of his pre-referendum campaign, a campaign which has taken him across Russia's provinces.

But he told those assembled yesterday: "I have come for a working visit, not for political meetings or campaign speeches."

At the Izhmash Weapons Enter-

prise, Mr Yeltsin briefly regained a flash of his old campaigning style when he stopped to wave and speak to the crowd gathered next to an old statue of Lenin. "I have come to solve all your problems," he announced majestically before striding into the plant to discuss with city leaders the problems of conversion of military plants.

But such glimpses of the old campaigner have been few and far between. Last week he read out a prepared statement to journalists as though seeing it for the first time, then answered questions in an off-hand manner, coming alive only

when he said he would resign if the referendum was lost.

He was perfunctory in Novokuznetsk in Siberia 10 days ago, rushing through meetings looking impatient and ungracious. In Vladimir last Sunday he walked in the Easter procession but said little of note.

Vice-President Alexander Rutskoi, the only Russian politician who approaches Mr Yeltsin's popularity, claimed before parliament last week that the ruling power structure, and in particular the president's closest circle, was corrupt and pursuing self-enrichment while Russia languishes in poverty.

In the face of this, Mr Yeltsin has not recovered the fighting spirit which was his trademark and his boast. A month ago, addressing the nation on television, he said: "I am determined to act resolutely... if political squabbling is not halted, if no resolute measures are taken to resolve the political crisis, if no powerful momentum is given to the economic reforms, the country will be pushed into anarchy."

Yet the resolute action faded away during the Congress of People's Deputies this month, where at one stage, reeling on his feet, he begged for a compromise with those

with whom he had said no compromise was possible. The experience of that Congress seems to have made him lose heart.

Mr Yeltsin was right in his speech: the country is indeed threatened, if not with anarchy, certainly with a further descent. Mr Yevgeny Yastin, director of the Expert Institute of the Russian Union of Industrialists and by no means an opponent of Mr Yeltsin, said last week: "The government is weak and resorts to populist measures... this year will not become the turning point in our struggle against the crisis, and we will meet

the year 1994 with a weak state power and ineffective state regulation."

Mr Boris Fyodorov, the deputy prime minister in charge of finances, put it yet more starkly on April 7: "By giving money to this or that sector we have so far averted catastrophes but in six months hyperinflation will finally exhaust the economy and the budget will collapse. The financial and credit system will break down soon afterwards."

All this would happen, said Mr Fyodorov, if the resolute action Mr Yeltsin has promised is not taken. But first he must win the referendum, and yesterday in Udmurtia he refused to predict the outcome of Sunday's all-Russian vote.

كتاب الناصح

Menem to unveil big loans and tax package next month

Help on way for industry in Argentina

By John Barham in Buenos Aires

ARGENTINA is to introduce an ambitious support programme for its industry, battered by heavy import competition and declining prices.

Details of the package are not clear yet, but President Carlos Menem is expected to announce on May 1 measures including \$4.5bn in loans for industry and agriculture and elimination of several taxes, especially a 1 per cent tax on corporate assets.

The package will also include a "modification" in trade policy. This could include stricter enforcement of "fair trade" regulations, such as anti-dumping rules, as well as a new shift in import tariffs that were last adjusted upwards last October.

The package coincides with alarm over Argentina's widening trade deficit. Private economists now expect the deficit to rise to \$3bn-\$4bn this year, after a \$2.6bn trade gap in 1992. Originally, the government had promised the deficit

would fall by half this year.

An Economy Ministry official denied the measures implied a softening of Argentina's free market policies. He said the \$4.5bn loans "are not incentives or tax exemptions or anything like that. They are directed at companies that have put their house in order."

The government's main objective was to increase companies' international competitiveness by reducing their operating costs and thus releasing pressure on an already overvalued currency, he said. Companies would borrow from the state-owned Banco de la Nación Argentina at better terms than from private banks. This would force the banking system to lend more to capital-starved industry and less to consumers.

However, no firm figures are available on the cost of this package. Some economists claim the government's budget surplus is under great pressure. But officials say Argentina easily met IMF targets that called for a \$850m budget surplus in the first quarter.



Balancing act: President Bill Clinton searches for a mark on the floor as he prepares for a photo session with east European leaders in Washington

Castro keeps observers guessing over successor

WITH the Cuban economy in a state of collapse following the end of economic support from the Soviet Union, many observers believe the subject of Fidel Castro's successor is out of the president's hands.

But for those who believe Mr Castro will be able to hand over power peacefully, the last few months have provided some interesting material.

First, Mr Castro indicated he might step down in five years' time. Then he appointed as foreign minister last month the inexperienced Mr Roberto Robaina, a possible sign that the 37-year-old former leader of the Union of Young Communists is being groomed for leadership.

Mr Castro, recently re-elected as president of Cuba's council of state for a further five years, indicated he had made no decision on his retirement, only that he hoped it would not be necessary for him to be president after his new term. These public musings to foreign journalists have, however, been played down in Cuba's domestic media.

The Cuban leader, now 66, has spoken repeatedly of the need to "reinvigorate" the revolution, suggesting that younger leaders are needed. Mr Robaina, who will be 42 at the end of the president's current term, fits the bill.

Although he has flirted with cosmetic changes to policy, Mr Robaina's public ideology is almost identical to Mr Castro's. He has, however,

attempted to modernise the image of the party, for example by organising pop concerts in an attempt to keep young Cubans faithful.

Should the foreign minister falter in the race or fall out of favour, Mr Castro has several options. One is Mr Carlos Lage, architect of the economic policies with which the government has been fighting the setbacks of the last two years. Mr Lage, 42, has hinted at some moderation in economic policy, and has been pushing

The last months have offered insights, writes Canute James

foreign investment in the Cuban economy.

The losers now appear to be Mr Raul Castro, the president's brother who is the first vice-president and the armed forces minister, and Mr Ricardo Alarcon, former foreign minister who is now president of the National Assembly. If President Castro favours youth, both of these men are likely to be overlooked. Mr Alarcon will be 60 in five years, while the younger Castro will be 66.

President Castro may also be concerned that, were he to leave office without identifying a successor, pretenders to the presidency or the army

could be drawn into a fight, defeating his hopes for a seamless transition.

Although Cuba's campaign to attract foreign investment represents a big about-turn in economic policy, Mr Castro's ideological rhetoric remains much the same. He continues to argue that Cuba will not abandon the socialism of the revolution despite heavy foreign economic pressure.

He has said, however, that if his departure from office would lead the US to lift its crippling 30-year embargo, he would go immediately.

US government officials say that barring a reversal of policy by President Bill Clinton, the dismantling of the embargo and normalisation of relations between Washington and Havana would depend on more than Mr Castro's stepping aside.

Loosening the Cuban Communist party's grip on the country and the installation of a popularly elected government through multi-party voting is the required minimum.

While some observers argue that the worst of Cuba's economic problems following the end of Soviet support are over and that the economy is showing signs of a modest recovery, the country still faces shortages of food and other basic supplies which have been compounded by damage from the recent storms.

Despite all the setbacks, Mr Castro remains truculent - Cuba, he says, will successfully battle its political enemies and natural disasters, in order to protect socialism.

Alabama's governor guilty of funds fraud

GOVERNOR Guy Hunt of Alabama was removed from office yesterday after being found guilty of diverting to his personal use money raised for his inaugural ceremonies, writes George Graham in Washington.

Mr Hunt - who will be replaced by a Democrat, Lieutenant Governor Jim Folsom - was Alabama's first Republican governor since the reconstruction period after the civil war. He faces up to 10 years in

prison, but could be reinstated if the conviction were overturned on appeal.

A Montgomery jury found Mr Hunt guilty of violating the state ethics law by using \$200,000 (£130,000) from a fund intended to help pay for his 1987 inauguration to buy personal property and pay off personal debts. Mr Hunt said he had used the money properly to pay off debts from his unsuccessful 1978 campaign for governor.

By Paul Abrahams

PROPOSALS by Merck, the largest US drugs group, on how the industry should respond to political pressure over pricing, were rejected yesterday by another company, Warner-Lambert.

Merck's chief executive, Mr Roy Vagelos, has proposed limiting price increases on all prescription products to the rate of inflation plus 1 per cent.

He suggested that drugs groups should sign contracts with the government and pay revenues from excess price increases to improve access to health care.

Pfizer, Eli Lilly, Amgen and

Schering-Plough have all adopted the plan.

However, Mr Melvin Goodes, Warner-Lambert's chief executive, has refused. "This is not an industry proposal. It's a Merck proposal," he said.

Price controls did not work, he claimed, and he believed the Clinton administration would not implement them.

The announcement exposes a split in the US drugs industry over how to respond to increasing political attacks on its pricing policies. During the late 1980s, many groups incapable of driving volume growth compensated by increasing prices.

Warner-Lambert is a classic example of a struggling phar-

maceuticals group, according to analysts. Most of its recent historic growth has been generated by price increases.

Its main volume-growing product, Lopid, a cholesterol lowering product, has been hit in recent months by price competition. Earnings are being driven mainly through rationalisation. Mr Goodes said his company would generate 7-8 per cent sales growth this year.

So far, 13 companies, including Upjohn, Eli Lilly, Lederle and Syntex, have agreed to limit price increases, on average, to the rate of inflation. This allows them to raise prices more than the rate of inflation, while cutting others.

By Bill Hinchberger in São Paulo

BRAZIL yesterday turned its attention to the expected announcement of anti-inflation measures, following an overwhelming vote in a plebiscite on Wednesday to retain a presidential system of government.

The government has said it will make an announcement about economic policy after a cabinet meeting called by President Itamar Franco for tomorrow.

Administration officials have advanced few details of the measures, although Mr Eliseu Resende, the finance minister, has been at work on policy

since he took over his portfolio in early March.

The government appears set on reducing the monthly inflation rate from its present 27 per cent to about 17 per cent by the end of this year.

Ms Yeda Crusius, planning minister, reiterated at a meeting this week with business leaders in São Paulo that the government was not preparing an economic shock plan, or price freeze, that would "break contractual obligations".

She told executives to expect a reaffirmation of privatisation plans, efforts to encourage foreign investment, and moderate increases in spending on social programmes.

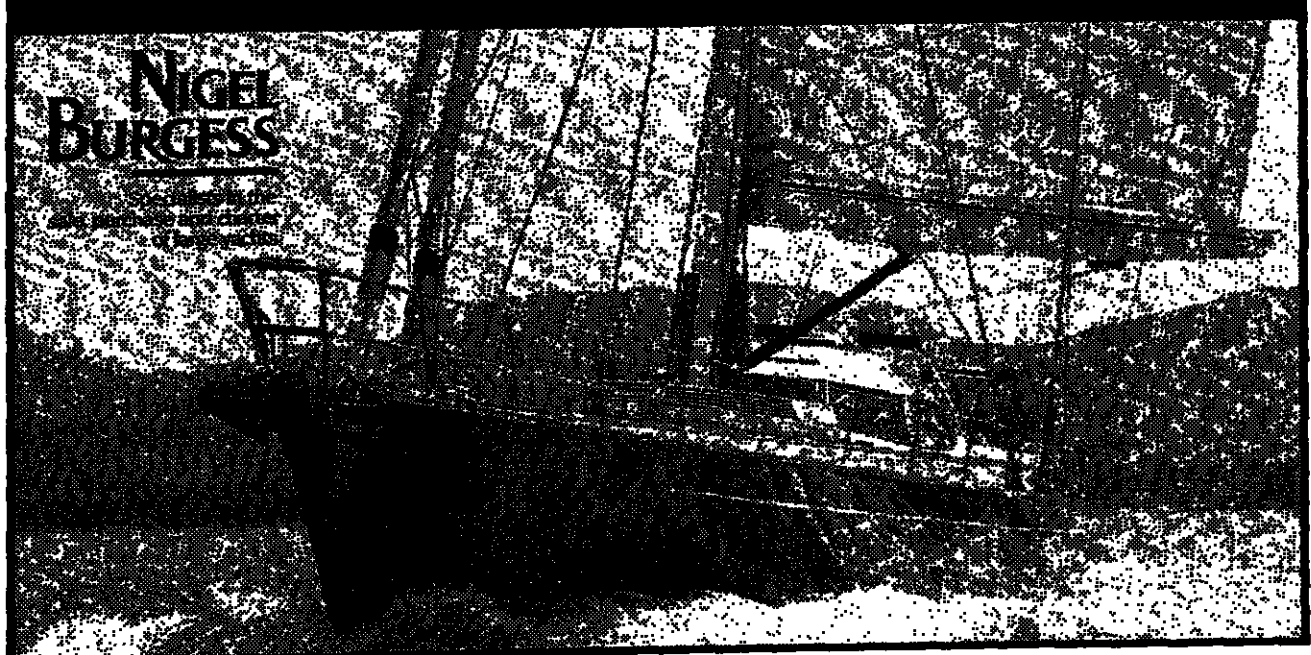
One probable measure is that

three zeros will be trimmed from the cruzeiro.

Final referendum results are not expected until this afternoon, but exit polls confirmed predictions of an easy victory for the pro-presidential camp.

Fifty-eight per cent of voters opted to maintain the current presidential system, against 26 per cent who wanted a change to a parliamentary system, and 16 per cent of voters who rejected both options, according to the DataFolha polling service.

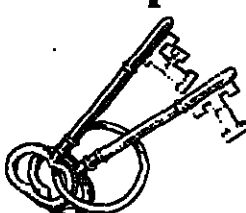
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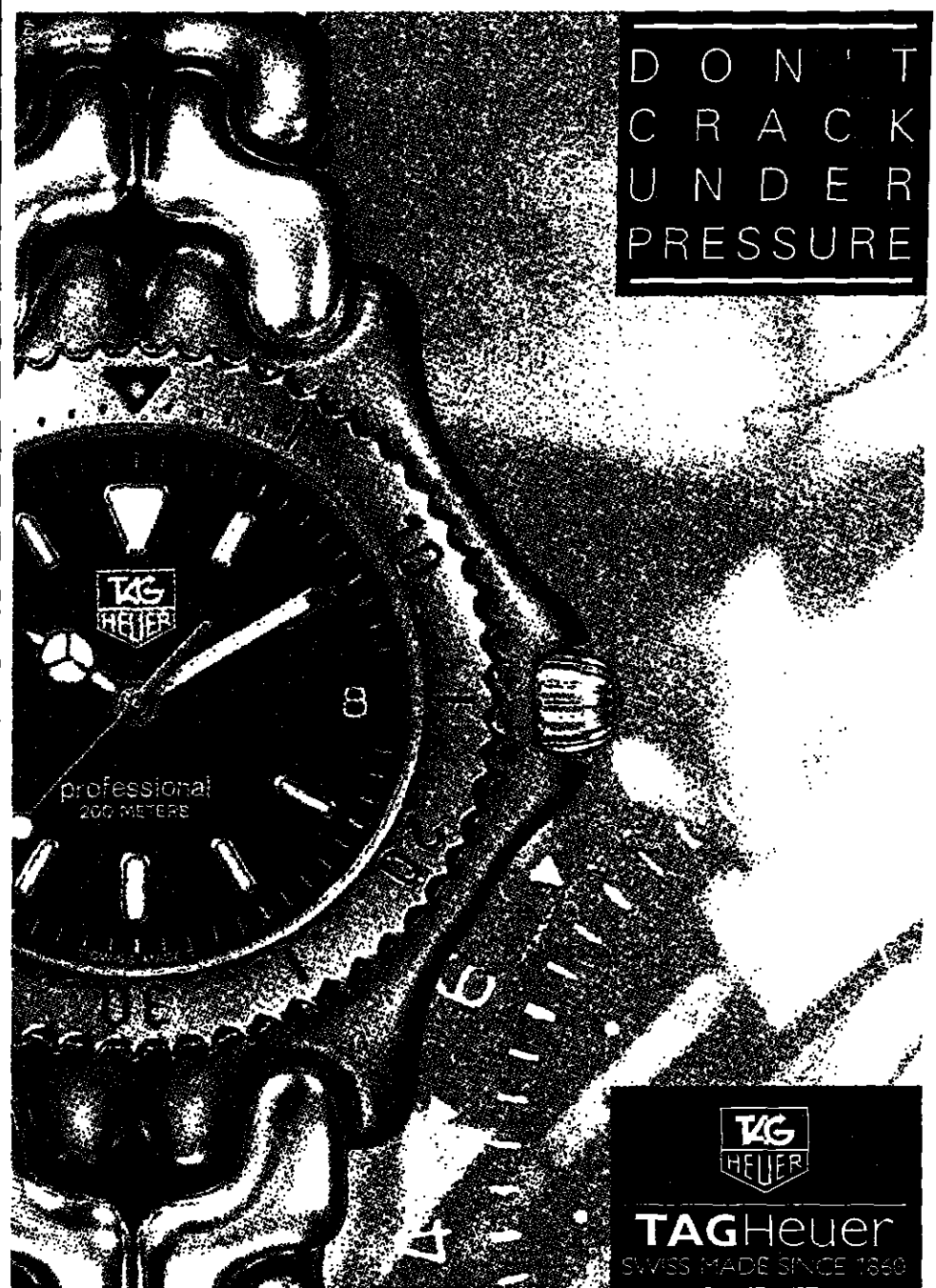
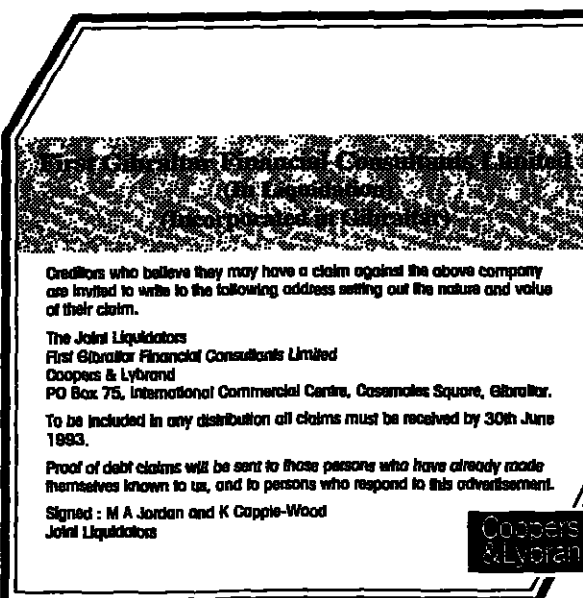
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Rising yen prompts criticism of US

By Charles Leadbeater
in Tokyo

JAPANESE business leaders, senior government officials and politicians yesterday stepped up their criticism of US economic policy towards Japan as the yen rose to another post-war high against the dollar in Tokyo.

The dollar closed at ¥110.20, down ¥0.15 from its Tokyo close on Wednesday. The yen has appreciated rapidly in the past week mainly driven by comments last weekend by President Bill Clinton that a stronger yen would help to reduce Japan's trade surplus with the US.

The yen's continued rise is confounding the hopes of Mr. Kichiji Miyazawa, the prime minister, that the appreciation would run out of steam with the help of intervention by the Bank of Japan. If the yen continues to rise Mr. Miyazawa will come under increasing pressure to take a tougher line to resist US demands for Japan to adjust its economic policies towards US priorities.

Mr. Masaru Hayami, chairman of the Japan Association of Corporate Executives, said Mr. Clinton's remarks were "strange", "indiscreet" and "difficult to understand", terms of criticism in the language of Japanese politics. Mr. Hayami said the slump in the dollar would damage the US economy by fuelling inflation



Muto: found Clinton's remarks to be 'deplorable'

and increasing pressure for higher interest rates. A senior official at the Ministry of Trade and Industry echoed Mr. Hayami's remarks. Mr. Yuji Tanahashi, MIT vice minister, said the yen's rise could stifle the recovery in the Japanese economy, which the US has urged to create higher demand for imports, as one of the most important ways to cut the Japanese trade surplus.

Meanwhile, Mr. Kibun Muto, the recently appointed foreign minister, is fast establishing a reputation for outspoken criticism. Mr. Muto, who on Wednesday described Mr. Clinton's remarks as deplorable, yesterday attacked US trade policies designed to open up the Japanese market.

Mr. Muto said the US market for manufactured goods was more closed than the Japanese market. He said the increase in the value of the trade surplus was partly due to the rise in the yen and Japanese companies' decision to increase the price of their exports to avoid anti-dumping actions by the US government.

The frailty of the Japanese economy was underlined by a 3.4 per cent fall in household spending in February compared with the year before. Average spending by salaried workers fell 0.7 per cent while that of non-salaried households fell 8.4 per cent.

Spending on transport and communications rose 12.5 per cent, and spending on clothes just 1.5 per cent. However, spending on food, health care, furniture and household appliances fell, with education expenditure down 15.8 per cent and that on housing 13.8 per cent lower. The slide in consumer spending was reflected in sharp profit falls at several leading retailers yesterday.

The machinery industry forecast a 0.7 per cent increase in sales for the year to the end of next March, reflecting the prolonged slowdown in corporate investment.

Meanwhile, regional officials of the Finance Ministry, meeting in Tokyo, forecast the economy would begin to recover, albeit modestly, from the second half of the financial year.

Holiday bonus from downturn

By Charles Leadbeater

THE Japanese economic downturn is at least bringing an unaccustomed benefit to the loyal ranks of Japanese workers: longer holidays.

Most of Japan is preparing to shut down from the end of next week for the annual "golden week" holiday, when more than 1m Japanese tourists are expected to take advantage of the yen's recent

strength to travel abroad. A Labour Ministry survey published yesterday suggests most will have slightly longer than usual to enjoy their travels. The ministry's survey of about 1,300 companies found that the average company was providing its workers with 5.5 days holiday, an increase of half a day from last year.

However at some particularly hard-pressed companies the annual holidays are being

extended even further. Two car component makers are reported to be giving their workers 12 consecutive days' holiday, while a leading maker of musical instruments is giving its staff no fewer than 18 days' leave.

In contrast semiconductor makers, which are enjoying strong demand from the revival of the US economy, have cut holidays to four days from five last year.



A defendant holds the Koran and chants as an Egyptian military trial of 49 Moslem militants ended yesterday. Seven were sentenced to death for attacking foreign tourists and conspiring to topple the government, Reuters reports from Heikstep, Egypt. The court ordered life prison sentences

with hard labour for three defendants. A further 22 were given jail terms ranging from two to 15 years, and 17 were found not guilty. Those condemned to death were charged with five specific gun and bomb attacks on tourists which killed a British woman and wounded nine other foreigners.

Blackout imposed on HK talks

By Tony Walker in Beijing and Simon Holberton in Hong Kong

BRITISH negotiators yesterday imposed a news blackout on details of their talks with Chinese officials on the future of Hong Kong after three and a half hours of discussions in a secluded Beijing diplomatic compound.

A British embassy official said after the talks that he was "not even permitted to use an adjective" to characterise the meeting.

In Hong Kong Mr. Chris Patten, the governor, said that any agreement reached in Beijing would have to command broad support in the colony and in its Legislative Council.

Mr. Patten told the Legislative Council, Hong Kong's law-making body, that it was Britain's aim to remain true to undertakings it had made to the people of Hong Kong about the openness and fairness of

elections due in 1994 and 1995. "We have not travelled this far to abandon those undertakings now," he said.

The forcefulness of his presentation gave little cheer to those who might be expecting a British climbdown.

Before the two sides sat down in Beijing, Sir Robin McLaren, Britain's ambassador to China and head of the British team, described himself as a "professional optimist", and said that the British side was looking forward to a "successful outcome".

China's chief negotiator, Mr. Jiang Zemin, vice foreign minister, told reporters that "the Chinese side has sincerity in the talks and it is my hope that the talks will yield positive results on the basis of the important agreement between the two sides".

This latter was a reference to Beijing's claim that Mr. Patten's proposals for a broadening of democratic reforms in

Hong Kong ran counter to agreements reached with London in the 1980s about the transition to Chinese rule in 1997.

Xinhua, the official Chinese news agency, quoted Mr. Jiang as saying that the two sides had agreed that the talks would be based on the Sino-British Joint Declaration, the principle of convergence with the Basic Law and relevant agreements reached between the two countries.

Differences of interpretation over these documents and agreements lie at the heart of the bitter dispute that has developed between Beijing and Mr. Patten.

British officials in Beijing expect the first round of Hong Kong talks to last between three and four days, but a resolution of the problem could take months. They are warning that a successful conclusion is not guaranteed.

Britain will be seeking agreement on a specific plan for leg-

islative reform that is acceptable to Legco, to Mr. Patten, and is reasonably faithful to London's aims of broadening popular participation in the political process before 1997.

● Solving the Sino-British row over Hong Kong is crucial to the reunification of the mainland and Taiwan, a senior Chinese official was quoted as saying by a Beijing-controlled newspaper.

"If the problem with Hong Kong could be resolved satisfactorily, it will have extremely important effects on the reunification of both sides of the Taiwan Strait," Mr. Li Ruihuan, a Communist party politburo member, told Hong Kong's Wen Wei Po.

Beijing has said it wants to use the "one country, two systems" formula of Mr. Deng Xiaoping, China's paramount leader, for Hong Kong's return to China as a model for the reunification it hopes for with Taiwan.

US to start talks with N Korea

By John Burton in Seoul

THE US is likely to start high-level negotiations soon with Pyongyang in an attempt to solve the North Korea nuclear weapon issue, the South Korean government said yesterday.

"Negotiations are now under way [to hold the talks] and, as far as I know, the time is getting ripe," said Mr. Lee Kyung-jae, the South Korean presidential spokesman.

The announcement followed a visit to Seoul by Mr. Peter Tarnoff, the US under-secretary of state for political affairs, who will represent the US in its discussions with North Korea.

North Korea has long sought high-level contacts with the US as the first step to achieving diplomatic recognition by Washington. But Mr. Tarnoff told the South Koreans that the forthcoming talks are a special event to solve the nuclear issue and do not represent a prelude to regular US-North Korean contacts.

Contacts between the US and North Korea have usually been limited to meetings between consular officials in Beijing.

Some western diplomats in Seoul, however, describe the proposed US talks as the first concession North Korea has won since its announced withdrawal from the nuclear non-proliferation treaty last month.

South Korea has been urging the US to hold direct talks with Pyongyang because it believes the meeting could persuade North Korea to reverse its withdrawal decision and accept nuclear inspections by the International Atomic Energy Agency.

It not seek direct talks with Pyongyang until the nuclear issue is resolved.

SA violence brings out white fears

Business mood approaches new depths, Philip Gawith writes

MR Nelson Mandela, African National Congress president, this week issued a plea to whites not to leave the country. He said South Africa had no chance of prospering without their skills. For white South Africans it was a timely recognition from the country's most important black leader that they too are an important constituency whose needs must be considered.

Since the assassination 10 days ago of Mr. Chris Hani, the prominent activist, South Africa has heard much about black anger. But the other side of black anger is white fear, and there has been a lot of it about.

Local radio chat-shows have been awash with calls from whites anxious about their future, and removal companies have reported the usual upturn in inquiries from those planning a quieter life elsewhere.

In its own way, the death of Mr. Hani was as much a shock to white South Africans as to blacks. Many white liberals described the week after Mr. Hani's death as the worst of their lives. This was an expression not so much of physical fear - of spears tapping on the windows, in the words of one - as of depression and foreboding.

At one level, this makes little sense: the number of deaths per day has remained below levels prevailing earlier in the year. What it illustrates is the fragility of spirit in the white community. Although most whites favour the reform process there are grave fears about what the future holds.

White politicians have sought to calm their constituency, but the assurances they really need can only come from black leaders whose attention recently has been focused rather more on their own support base. Mr. Mandela's comments at a small Johannesburg gathering on Wednesday represented progress, but would have had much more impact if spoken at a mass rally or on prime-time television. As it was, few newspapers reported them.

Also, they sit uncomfortably alongside the ANC's calls for a six-week mass action campaign. Few things depress white sentiment more than visions of a future in which city centres are permanent host to some form or other of mass protest.

The prospect of further mass action has also been met with alarm in the besieged business community, which has experi-

enced three successive years of negative economic growth, with little, if any, revival expected in 1993.

The barometer of manufacturing confidence, published by the independent Bureau for Economic Research, showed confidence levels before Mr. Hani's death were barely above the nadir reached during the foreign debt crisis of 1985. They can only have deteriorated over the past two weeks.

The view from the ground confirms this gloomy perspective. Mr. Ian Willis, chairman of Holdings, the country's second largest packaging group, notes: "It is as tough today as it has been, and for the rest of this year it will get tougher."

His views are echoed by Mr. Ken Ironside of Barlow Rand, the largest industrial group in South Africa. He says sales volumes continue to decline, trading conditions remain difficult, and even in successful areas, such as food and pharmaceuticals, conditions appear to be getting worse.

Mr. Willis says he doubts whether Mr. Hani's death will "disrupt where the train is headed". It will, however, in the words of Mr. Jan Robertz, managing director of Anglovaal Industries, serve to "keep uncertainty and underlying unease in place".

These factors, together with the depressed economy, have already nearly throttled investment spending. Reserve Bank figures show that South Africa's investment rate (gross domestic fixed investment as a percentage of gross domestic product) has fallen from an annual average of over 23 per cent in the period 1985-1986 to a post-second world war low of 15.9 per cent in 1992. This figure barely covers depreciation.

Mr. Derek Keys, finance minister, has made fostering business confidence a priority, but was recently forced to confess that his efforts so far had borne little fruit. The ANC does not see business as a constituency and hence is largely silent on the issue. Indeed, the ANC's political and economic pronouncements continue to have a net negative effect on business confidence.

Conservative leader dies after surgery

DR ANDRIES TREURNICHT, leader of the pro-apartheid Conservative party, the official opposition in South Africa's white-dominated parliament, died yesterday aged 72. AP reports from Cape Town.

Mr. Frank le Roux, the party's chief whip, said Dr. Treurnicht died in a Cape Town hospital several days after undergoing heart by-pass surgery.

The death comes at a difficult time for the party, which has opposed President F. W. de Klerk's reforms to dismantle apartheid and had one of its most prominent leaders implicated in the assassination of Mr. Chris Hani, the ANC activist.

Dr. Treurnicht had warned of chaos if the black majority was allowed to run the country, but he distanced himself and his party from violence and from militant right-wing groups such as the neo-Nazi Afrikaner Resistance Movement.

In the past week Mr. Clive Derby-Lewis and his wife Gaye,

prominent Conservative party supporters, have been arrested for questioning about Mr. Hani's slaying. Neither has been charged.

Dr. Treurnicht was dubbed "Dr. No" for his rigid resistance to political reform. A fire-and-brimstone preacher of the Dutch Reformed Church, he entered parliament in 1971 as a candidate of the ruling National party and eventually became a cabinet minister whose portfolios included public works, tourism and state administration.

As early as the 1970s, his conservative views clashed with movements toward reform in the governing party. Dr. Treurnicht was suspended as the party's Transvaal provincial leader in 1982 and weeks later resigned from the cabinet to form the Conservative party.

His party suffered an embarrassing defeat last March when whites voted overwhelmingly in a referendum to support Mr. de Klerk's reforms.

Bhutto's husband appointed

By Farhan Bokhari in Lahore

THE political comeback of Ms. Benazir Bhutto, dismissed as Pakistan's prime minister in 1990, gathered pace yesterday with the appointment of her husband, Mr. Asif Ali Zardari, as a minister in the interim government.

After Ms. Bhutto's government was sacked by President Ghulam Ishaq Khan, Mr. Zardari spent over two years in prison. He has been acquitted on nine of 12 cases filed against him, including murder.

In February, following reports of meetings between aides of Ms. Bhutto and the president, Mr. Zardari was released on bail though he still faced charges of extortion, illegal possession of arms and fixing of bank loans.

On Sunday, Mr. Khan dismissed the government of Mr. Nawaz Sharif, Ms. Bhutto's successor, who had sought to strip the president of his powers to remove governments and appoint the chiefs of the armed services. The president called elections for July.

The appointment of Mr. Zardari, one of four ministers in the new government from Ms. Bhutto's Pakistan People's party, is a further sign of a rapprochement between Ms. Bhutto and the president as part of a rapid shifting of political alliances within Pakistan.

As opposition leader, Ms. Bhutto repeatedly accused the president of supporting a cam-

paign to victimise her supporters, including the laying of false criminal charges. However, she moved swiftly to take advantage of the constitutional dispute between Mr. Khan and Mr. Sharif, declining to use her party's votes to back Mr. Sharif.

Mr. Zardari is one of 17 new ministers in the caretaker government. Finance minister Mr. Farooq Leghari, deputy leader of the PPP, and planning minister Mr. Hamid Nasir Chahat, were sworn in on Sunday along with Mr. Balakh Sher Mazari, the interim prime minister.

Other ministers include seven from factions of the Pakistan Muslim League, the main party in Mr. Sharif's coalition.

its medium-term economic strategy for 1993-96 to a meeting of the Paris Club co-ordinated by the World Bank.

Nigeria has suggested this could take place in July.

But fund officials are pressing for action on two key issues before such a meeting is convened. They want to see deregulation of the foreign exchange market, and a narrowing of the gap between the official rate of exchange (N21 to the dollar) and the parallel market rate (N37 to the dollar).

They also expect the govern-

ment to reduce the domestic fuel subsidy. The team from Washington was assured that the recent decision to postpone petrol price increases was necessary to ensure orderly presidential elections on June 12.

The government has yet to give a date for the promised action.

There are also continuing concerns about management of state resources. Since taking office at the end of December the council has tried to account for all export earnings, but the exercise is not complete.

World Bank officials in Washington and western government analysts estimate that the proceeds from 200,000 barrels of oil a day are inadequately accounted for. Total production is around 1.8m b/d.

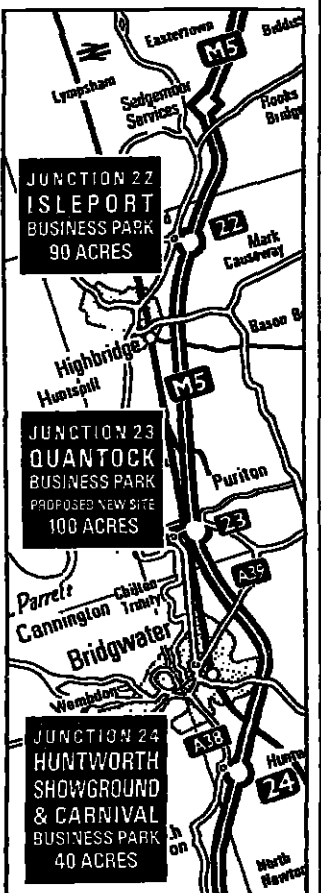
It is thought these receipts go directly into so-called "dedicated accounts" earmarked for specific purposes or projects, but details remain difficult to obtain.

Western government and IMF officials have said that they want to monitor the new

government's handling of the economy for at least three months after its installation in August before a formal agreement can be reached.

This timetable makes it unlikely that debt relief could be obtained before the end of this year.

If Nigeria can secure an East agreement with the IMF, it could qualify for debt relief from the Paris Club under the terms, involving a write-off of 60 per cent of the loans and longer payment periods for the rest.



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مكتبة الناصر

The big guns head off a trade war

By Lionel Barber in Brussels

THERE was relief mixed with enthusiasm in Brussels yesterday as officials digested the last-minute compromise in the EC-US dispute over public purchasing rules.

The partial deal struck between Sir Leon Brittan, EC trade commissioner, and Mr Mickey Kantor, US trade representative, avoids a nasty spat. As late as Tuesday evening, the dispute risked escalating into a tit-for-tat trade war, wrecking hopes of progress in the Gatt Uruguay Round.

More positively, the compromise establishes a key principle: the progressive, reciprocal opening of markets in the government procurement market. The US still intends to proceed with sanctions because the deal does not cover telecommunications, but these will be taken on.

Like Mr Kantor, Sir Leon is a lawyer. In effect, he agreed this week to a plea-bargain. In return for a light sentence, he has acknowledged that "Buy European" legislation unfairly closes the EC procurement market, but he has persuaded the US to gradually start dropping

ping "Buy American" legislation at federal and state level.

Right up until the final transatlantic telephone call on Wednesday evening, it was unclear whether the two men could find enough common ground to avoid a trade war.

Sir Leon, perhaps the staunchest free trader inside the 17-strong European Commission, was desperate to prevent the procurement dispute spilling over into the Gatt trade talks. His fear was that the Clinton administration's aggressive trade stance could provoke an anti-American backlash in Europe.

Yet Sir Leon also recognised that Mr Kantor needed to show the US Congress and US companies that tough tactics had produced some tangible successes. The hope is that both men have found a deal which will play to their respective domestic constituencies, though one EC official said yesterday there might not be enough blood to assuage EC trade hardliners.

The heart of the dispute lies with Article 29 of the EC utilities directive which entered into force on January 1 1993. The law gives a 3 per cent price preference to EC bidders



Sir Leon Brittan: desperate to prevent procurement dispute spilling over into the Gatt trade talks

for any government contract and allows an EC bidder to ignore an offer if the bidder has a European content of less than 50 per cent.

The US can now point to the EC's agreement to waive Article 29 covering heavy electrical equipment such as steam turbines - a market valued at \$1bn a year. In return, the EC can point to the removal of all restrictions against EC bids from the five publicly-owned federal electrical utilities, plus the Tennessee Valley Authority - a market which is valued potentially at \$5bn-\$10bn.

EC officials said yesterday these concessions should lead to the eventual elimination of "Buy American" clauses at "sub-federal" or state level - the lucrative market for building bridges, airports,

rapid transit, or buying school buses. These are currently effectively closed to EC companies.

According to the deal, the administration will approach the governors of all 50 states about the withdrawal of this legislation. Some 33 states have expressed general willingness to consider dropping the clauses.

Separately, both sides have agreed to remove all outstanding restrictions on each other's companies bidding for contracts to supply goods and services to central governments. This is a potentially huge prize, allowing EC and US companies to bid for services ranging from software to supplies to the US Army Corps of Engineers.

The final twist in the deal is

Airlines of the world post third yearly loss

THE WORLD'S airlines lost money for the third year in succession in 1992, according to the International Civil Aviation Organisation (ICAO), a UN agency, Daniel Green reports.

It said that operating revenues of scheduled airlines, excluding flights within the Commonwealth of Independent States, rose to \$212bn (£140.3bn) from \$203.4bn in 1991. Operating expenses rose to \$213bn from \$204.4bn.

The 4.2 per cent growth in revenues was in line with an ICAO prediction a year ago.

The ICAO's 1992 figures also indicate that pressure on profit margins increased on the freight side, with revenues per tonne per kilometre falling from \$0.924 to \$0.887 between 1991 and 1992.

Costs per tonne per kilometre fell from \$0.93 cents to \$0.893 cents.

Freight traffic more than halved on the busiest routes such as the north Atlantic, despite big efforts to improve efficiency and a deep discounting price war.

Turkmenistan telecoms deal

SIMKO, the Turkish telecommunications company, has signed a \$100m (\$65.2m) deal to build three telephone exchanges in Turkmenistan, Interfax news agency said. Reuter reports from Moscow.

The central Asian republic, the world's third largest gas producer, with output totaling 84bn cubic metres a year, will fund the deal with natural gas exports.

Several Turkish companies have signed deals for telecom systems in former Soviet republics.

Officials from Turkey's state-run post and telecommunications company TPT, which donated a 2,500-line telephone switchboard to Turkmenistan last year, say only 6 per cent of the republic's 3.6m people own telephones.

Japan to hear familiar litany of complaints

By Michio Nakamoto in Tokyo

THE arrival in Tokyo yesterday of Mr Ron Brown, US commerce secretary, is likely to be accompanied by familiar strong words from the US on Japan's trade surplus and closed markets, followed by polite rebuffs from Japan of US solutions for the problems.

Mr Brown is in Tokyo to take part in a ministerial conference on assistance to Russia. But his arrival two days before the conference opens will give him time to remind the Japanese that the US is serious about rectifying the countries' trade imbalance.

Japan needs little reminding so soon after the bilateral meeting in Washington last week, which left no doubt where the priorities of the US under President Bill Clinton lie. Even Japanese trade officials who have been through the same show often in the last 10 years fear this time they may be in for a tougher confrontation.

Both the structural and sectoral issues which the current US trade team says it wants to address have been discussed in the past. But this time the US administration's emphasis is on economic issues as a strategic priority and on achieving quantifiable results, says an official from Japan's Ministry of International Trade and Industry.

At the same time the Clinton team is not as ideologically committed to free trade as previous Republican administrations.

Mr Brown is likely to reiterate Washington's unhappiness with Japan's \$46bn (£30.4bn) trade surplus and the need to obtain concrete results in tackling the issue.

The new framework for bilateral consultations on trade agreed last week between Mr Clinton and Prime Minister Kiichi Miyazawa is expected to take firm shape in the months ahead.

In addition to its currency stance, which has allowed the yen to rise sharply against the dollar, the new bilateral trade framework will form a key pillar of Washington's strategy on correcting the trade imbalance.

The US also appears reluctant to abandon the idea of using temporary quantitative indicators to measure improvements in access to Japanese markets, despite numerous protests from Japan.

For its part, Tokyo is adamant it will not give in to US calls for such quantitative measures, which it has repeatedly said leads to managed trade.

The Japanese offer is for more long-term steps to deal with the trade imbalance, such as industry co-operation and business initiatives.

Cuba barter its sugar

ITALGRANI, the Italian cereals and foods group based in Naples, has signed a L100bn (£42m) agreement with Cuba to supply semi-finished food products in return for sugar, writes Haig Simonian in Milan.

The deal is a further sign of the current revival in counter-trade for countries with problems obtaining hard currencies or in economic difficulties.

The Cuban economy has faced a growing crisis following the gradual withdrawal of

aid and supplies from the former Soviet Union. It has also suffered from the fall in price of some raw-material exports, notably sugar.

Italgrani will supply cereals, vegetable oils and pasta products, worth about L100bn, in return for Cuban sugar of a similar value.

Italgrani's deal, double the size of a similar one between July and November last year, will take effect in the second half of this year.

EC-US move revives world trade hopes

SIGNS that the United States and the European Community aim to contain their dispute over government contracts have raised hopes for a revival of the long-stalled Uruguay Round world trade talks, Reuter reports from Geneva.

Both Sir Leon Brittan, EC trade commissioner, and Mr Mickey Kantor, US trade representative, who together shaped the partial accord, have said they are determined to push on to end the round successfully.

The dispute, in which both the US and the EC claimed their companies were often excluded from access to the other's lucrative public contracts, was

partly settled on Wednesday. At one stage it had appeared to be a serious threat to wrapping up the Uruguay Round, which is widely seen as offering a much-needed boost to the ailing world economy.

One trade envoy in Geneva, where the round is negotiated under the aegis of the General Agreement on Tariffs and Trade, said yesterday he was not unduly concerned that the two sides still retained some mutual sanctions over telecommunications. Even with such measures, "it looks as though they will be trying to quarantine the dispute and get on with the major job - fixing the round," he said.

A senior diplomat from an exporting state said he was heartened by what he saw as an effort by the US and the EC "to maximise accord and minimise the discord" on the procurement issue. "They seem to be concentrating their minds on the bigger prize - the round," he said.

However, some envoys and analysts involved in the round negotiations doubted whether the two key trading powers were ready to make a big effort to advance the cause of international free trade.

One expert expressed the hope that the partial accord would be a "step towards a wider government procure-

ment agreement that could be reached alongside a multilateral accord inside the round". But he thought it would take a lot more than that to convince people they were moving towards negotiating seriously and wrapping up the round.

Other diplomats and officials said they were not convinced that the administration of President Bill Clinton had yet decided to make the talks, originally due to have been completed in December 1990, a major priority.

The US and the EC have to settle all their own differences before the 100-odd other countries in the round can effectively be brought back into the process.



IN 1969, ONE MAN TOOK A GIANT LEAP FOR MANKIND.

Oh yes, and some astronauts landed on the moon.

When they come to write the history of the 20th century, the summer of '69 will surely merit a chapter of its own.

The Beatles sang 'Get Back' on a London rooftop, there was a vibrant new President in the White House, and the eyes of the world were turned skywards as Neil Armstrong prepared to set foot on the Moon.

Away from the public gaze, a different band of pioneers was preparing to step into the unknown. But

in this case the destination was not a Sea of Tranquility, far from it. Fifteen metre waves and hurricane force winds were the lot of the early North Sea explorers, searching for oil and gas three kilometres below.

History records that both sets of men accomplished their missions. For the crew of the spaceship Apollo, their adventures were largely over.

For the oilmen they had just begun. In November 1970, BP duly announced

the discovery of their huge 'Forties' field. Hardly a single day has passed since without an act of sacrifice or courage on their part.

BP

For all our tomorrows.

Giant platforms, taller than Big Ben, have been engineered and positioned in the teeth of storms.

Pipelines have been laid for hundreds of kilometres beneath the waves.

And of course, new discoveries made: the 'M' fields, off England's North East coast were discovered by BP just last year.

The Beatles never sang together again, Richard Nixon turned out to be, well, Richard Nixon and no astronauts have exceeded the achievements of Neil Armstrong and his men.

But how magnificently has all the promise of that golden age been fulfilled, by the North Sea explorers from BP.

Strikes by state workers may be outlawed

By John Authers
and Ralph Atkins

A RADICAL plan to severely limit strike action by British state sector workers is being considered by the government as an option for thwarting a threatened boycott of school tests by protesting teachers.

Mrs Gillian Shephard, employment secretary, is backing a proposal that would end immunity from court action for strikes aimed principally at preventing employees performing statutory duties.

An amendment could be made to the Trade Union Reform and Employment Rights Bill which reaches its final stages on Monday in the House of Lords, Britain's upper chamber.

A government decision on whether to legislate will depend on today's ruling by the Appeal Court on a case brought against one of the main teaching unions by Wandsworth Borough Council in south London. The union, the National Association of Schoolmasters/Union of

Women Teachers, is boycotting preparation for the tests.

Mrs Shephard's proposals would mark a further substantial tightening by the government of Britain's trade union laws and set the government on a fresh confrontation with the trade union movement.

Details of the plan were disclosed in a letter dated February 26 from Mrs Shephard to Mr John Patten, education secretary, and leaked to the National Union of Teachers. The tone of the letter suggests the government has devoted

considerable effort to drawing up tough options for heading off the teachers - and perhaps strikes by railway workers.

Mr Patten has announced a review of the National Curriculum and associated tests but has refused to offer further concessions to the teachers.

Last night, however, it was unclear the extent to which Mrs Shephard had backing from Cabinet colleagues - or whether her proposals could be introduced in time to allow this summer's tests to proceed. Mr Norman Willis, general

secretary of the Trades Union Congress - the umbrella body for most large unions - said the move would be "offensive" and "heavy-handed".

Mrs Shephard's letter says disputes could be outlawed, "where the principal or sole demand is that workers should not be required to do work which is necessary in order to carry out a specific statutory duty on the employer".

It also says a more radical plan to remove immunity from any industrial action that interfered with the perfor-

mance of statutory duties, "would be highly controversial and would be attacked by our opponents as tantamount to the removal of the 'right to strike' from public sector employees." She adds: "I do not think we should contemplate going that far."

Legal experts suggested Mrs Shephard's proposals could be difficult to enforce, and lead to a mass of litigation. Employers' statutory duties have multiplied in recent years, partly thanks to the growth in health and safety legislation.

Britain in brief

Drug industry attacks state health policy

Government policy towards the drug industry has been strongly attacked by the Association of the British Pharmaceutical Industry.

In a forceful speech, Mr Stewart Siddall, association president, said the extension of the list of products for which the state health service would not pay had come as a "real bombshell". The proposals, which had come without warning, could affect about £400m in annual sales.

The UK industry generated exports of £3m last year, a figure four times larger than Japan's. Yet spending on medicines per head in the UK was half the level in Germany, France and Italy.

Amerada Hess awards contract

The US oil company Amerada Hess, which has bitterly complained about the budget changes to petroleum revenue tax, has awarded a £20m contract to develop its latest North Sea oilfield.

The contract for 54 kilometres of undersea pipelines for the Hudson Oilfield, off Shetland, has gone to Aberdeen-based Stena Offshore. The pipelines will link six sub-sea wells to Shell/Esso's Tern platform, 11km to the east of Hudson, which has estimated recoverable reserves of over 80m barrels of oil.

French group in cable deal

The UK cable television industry has announced the second big deal in consecutive days when Generale des Eaux, the French water and energy group said it was increasing its British cable interests.

General Cable, a subsidiary of the French group, has purchased or agreed to buy, cable television franchises in northern England. Mr Marc Noblet, managing director of General Cable said the project would involve investment of more than £500m over 10 years.

Marine traffic plan defended

The Department of Transport yesterday defended its plan for a traffic separation scheme off the southern tip of Shetland.

Lord Donaldson, chairing the inquiry into the Braer disaster, accused the department of designing the marine equivalent of a "two lane highway" when an ordinary road would have been sufficient. The department said a simple sea-lane or a recommended route, as suggested by Lord Donaldson, would run the risk of causing tanker collisions. The inquiry resumes next Tuesday.

Rifle design off target

Thirty-two modifications have been required on the army's standard rifle, the SA80, since it went into service seven years ago.

The Commons defence committee has been told that the army was now "entirely satisfied" with the weapon. Problems included faulty triggers, firing pins that broke, magazines that fell off and bayonets which became detached. Modifications, carried out on 60 per cent of the 307,000 rifles delivered, would add about 9 per cent to costs.

Expense ruling for ministers

Controversy over government help towards the private legal expenses of Mr Norman Lamont, chancellor, has led to revised rules on the use of public money for matters related to ministers' personal affairs.

The guidelines say "great care" must be exercised when public funds are offered towards personal costs. The public accounts committee expressed regret that the Treasury had not highlighted in its accounts the decision to pay £4,700 towards the cost of evicting an unwanted tenant from Mr Lamont's private home.

London exchange considers buying Nasdaq system

By Peter Martin
Financial Editor

THE London Stock Exchange has decided to consider a computer system from Nasdaq, the US exchange, as a replacement for its Seaq trading system.

Parts of the Nasdaq system will be considered as an alternative to the exchange's own proposed new system, which is being developed by Andersen Consulting.

The decision to consider both systems was made by the Stock Exchange board yesterday. The board also agreed to concentrate on "core functions" and to transfer the exchange's Topic electronic information system to two outside vendors, Telekurs of Switzerland and ICV of Woking.

The Nasdaq decision is a victory for five big City securities houses. They commissioned a study from Booz Allen, the management consultants, which concluded that it would be better to buy a system from another stock exchange. Some houses lack confidence in the exchange's ability to develop systems, after the failure last month of its planned Taurus automated settlement system.

"The board is clear that it will invest in supporting a market system and we are looking anxiously at making a final decision on that in the

near future," said Sir Andrew Hugh Smith, stock exchange chairman. The two systems will be compared over the next month and the decision will be taken at the board's next meeting, in late May. There will be an independent assessment, which is likely to mean the appointment of a third set of consultants.

Sir Andrew stressed the choice would be between the exchange's own proposed new system, on which work started a year ago, and parts of the next-generation Nasdaq system. Mr James Spellman, of Nasdaq in Washington, said that the first elements of the new Nasdaq system would be distributed to customers this autumn, but that the whole project would take between five and seven years to complete.

The exchange has considered buying a system from Nasdaq twice in the last five years, most recently two years ago. But each time the decision has gone against it.

The exchange board said its core functions were: organising and regulating the UK central market in securities, running the Seaq International market in international securities, and acting as the legally designated "UK competent authority" for listing securities.

Irish premier sees need for conciliation

By Tim Coone, in Dublin

MR ALBERT Reynolds, the Irish prime minister, last night reiterated his wish to see a united Ireland but conceded that a more conciliatory approach was needed towards the Unionist community in Ulster.

In a keynote speech on policy towards Northern Ireland he also firmly ruled out any concessions on the Republic of Ireland's constitution as a precondition for renewed all-party talks.

Speaking at a fund-raising dinner in New York for his party, he said: "The Fianna Fail party is committed as one of its principal aims to the eventual establishment of a united Ireland, but recognises that realistically it can only come about through agreement and consent."

Mr Reynolds' statements are his strongest yet and appear to have been made in response to backbench criticism that his government's policy on the Ulster is being dictated by the Labour party. Fianna Fail's coalition partners.

Responding to Unionist leaders' insistence that the Republic must first drop its territorial claim to the province before any further progress in round-table talks can be made, Mr Reynolds said "While we do not accept preconditions, we are not averse to the issues being raised".



On guard: an officer checks a troop of honour in London yesterday for Crown Prince Abdullah bin Abdul Aziz, deputy head of the Saudi national guard - a potential customer for British tanks

Rail union to ballot on BR peace plan

By Robert Taylor,
Labour Correspondent

THE EXECUTIVE of RMT, the main rail union, is to ballot its 60,000 members employed by British Rail, the state-run railway, on a BR proposal to end the current dispute. No further action will be taken before the result is announced on May 14. The union executive is recommending members reject

BR's final proposals, which were presented to the union earlier this week. These provide written assurances on jobs and the extension of contract work.

The union has been seeking a guarantee of no compulsory redundancies and a moratorium on the extension of contract work. The dispute has involved two one day strikes which have cost BR at least

£20m gross in lost revenue. The RMT ballot followed its embarrassing deadlock on Wednesday night after nine hours of argument caused by the intricacies of the union's 80-year-old constitution.

A majority of the executive rejected BR's final offer but the requisite two thirds majority was not prepared to back a proposal to call a further one day strike for next Friday.

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FOR A CLEANER ENVIRONMENT.
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LOST. BUT WE CAN STILL
PROTECT WHAT'S LEFT.

SO, TOGETHER, LET'S CARE.

مكتبة التحصيل

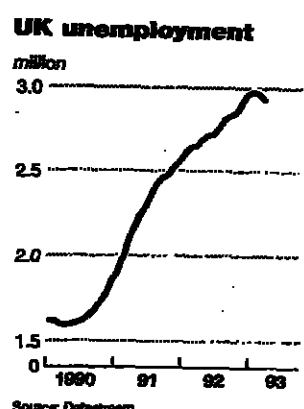
Major welcomes surprise jobless fall ■ Chambers of Commerce report rising confidence ■ House sales stabilise

Unemployment falls for second month running

By Peter Norman and Emma Tucker

BRITISH unemployment fell for the second month running in March, confounding expectations of a rise in the City and at Westminster and boosting hopes that the recession is over.

The surprise 36,000 decline in the seasonally adjusted jobless total to 2.94m last month combined with other upbeat news on the economy and yesterday's Bundesbank interest rate



cuts to give a strong upwards push to the pound.

The latest signs that the economy was strengthening were welcomed by Mr John Major, prime minister, who said the fall in unemployment was "very good news". But the Treasury and Mrs Gillian Shephard, employment secretary, were careful not to sound euphoric about the figures.

The Treasury, which is waiting for next Monday's data on first quarter national output before deciding whether it can announce the end of the recession, said it was still too early to say whether unemployment has peaked.

But other news yesterday suggested that economic recovery might be sustained. Official figures showed car production in March rose a seasonally

adjusted 13 per cent compared with February. UK car output rose by 7.7 per cent last month, its highest March level for 19 years, boosted by the build-up of production by the Japanese carmakers Nissan, Honda and Toyota.

The March drop in the seasonally adjusted total of people out of work and claiming benefits followed a 35,500 drop in February - revised from a provisional 22,000 fall - and compared with City expectations of a 30,000 increase last month.

The UK unemployment figures and the Bundesbank pushed sterling to DM2.4875 against the D-Mark in London, some 2½ pence up on the day. The pound also gained 1.5 cents against the dollar to close at \$1.5480 and rose 0.8 percentage points on its exchange rate index to 80.7 after the Treasury made clear that it did not intend to cut UK interest rates.

Perhaps for this reason, the equity market appeared less enthusiastic about yesterday's news although it was also digesting gains earlier this week. While there was strong retail demand for shares, the FT-SE 100 index closed at 2,881.1, up just 11.5 points.

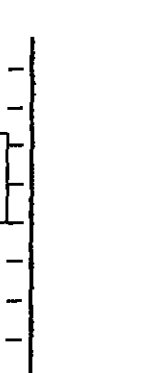
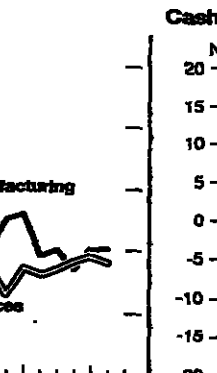
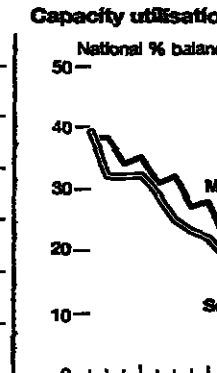
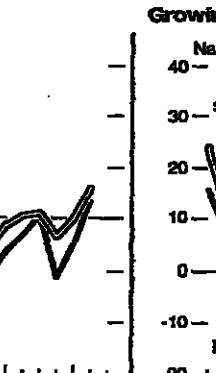
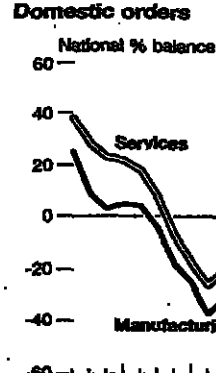
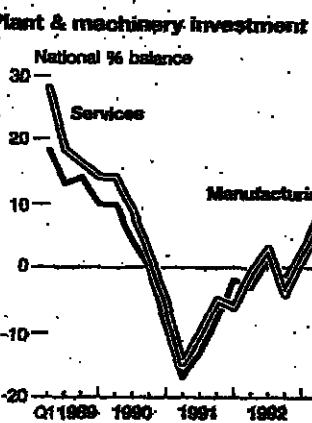
Some economists believe companies shed too many people at the end of last year following a sharp decline in confidence as a result of sterling's departure from the European exchange rate mechanism. "With firms having laid off more people than was necessary last year," said Mr Michael Saunders, an economist at Salomon Brothers.

Yesterday's employment data included positive news on inflation. Average earnings grew by 4.5 per cent in the year to February, the lowest annual increase for 25 years.

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CHAMBERS OF COMMERCE SURVEY

Domestic orders improved for the second consecutive quarter while manufacturing export orders grew at the fastest rate for three years. The survey said companies were beginning to revise investment plans upwards, but overall levels remain extremely low. There was a small improvement in the cashflow position of companies. The level of interest rates remains the number one external factor affecting business in the service sector and the second most important factor for manufacturing. Confidence about profitability and turnover has risen and is highest in the home counties.



BRITAIN is experiencing a broadly-based recovery led by exports but weaknesses remain that could hinder growth in the future according to British Chambers of Commerce.

The group said its latest quarterly survey of 8,820 manufacturing and service companies showed orders were growing both at home and

abroad and that a growing share of companies expect turnover and profits to improve in the next 12 months. But although business confidence has returned to pre-recession levels, the chambers warned that only one in five companies is operating at full capacity. One in three companies still has difficulty recruiting suitable personnel. Investment intentions remain

weak and on balance all except small companies plan to shed labour in the next three months. Small companies with less than 20 workers reported both the strongest improvement in orders and worsening cashflow problems in the survey, which was carried out between March 5 and 26.

The survey found the portion of manufacturing companies reporting an increase of UK orders over the previous three months exceeded those reporting a decrease by 7 percentage points. This positive balance contrasted with a negative balance of minus 10 percentage points in the previous quarterly survey when falling orders exceeded rising orders.

The service sector also reported a recovery in home orders in the latest survey with a positive balance of 12 points compared with zero points three months before.

But Mr Christopher Stewart-Smith, the chambers' president, said the survey was the "most encouraging for some time". He said the marked improvement in business confidence reflected more than expectations of higher sales and profits.

City reacts cautiously to jobless fall Thaw in housing market continues as sales grow

By Lisa Wood, Emma Tucker and Andrew Taylor

NOT a fluke - but nothing to get too excited about. That was the guarded response yesterday of City economists and government officials to the second consecutive monthly fall in unemployment.

Mrs Gillian Shephard, employment secretary, set the tone. For while she warmly welcomed the March figures, she said not too much should be read into a single month's figures. But, she said fewer people

were now joining the unemployment count, every region saw falls in the jobless figures and vacancies were the highest for two years.

A number of reasons were put forward by her officials, the Confederation of British Industry and economists. ● A more flexible labour market. ● A number of economists said reforms in the 1980s - in particular trade union laws and stricter rules for claiming benefits - had made the market more flexible. ● Over-sacking: Economists said that a number of compa-

nies had been caught out by the strength of demand, particularly domestic demand, and had shed too much labour at the end of last year.

● Big redundancy programmes are ending. The construction industry has forecast that the sector is likely to lose a further 50,000 jobs this year. But, the rate at which jobs are being shed is expected to decline during the year, according to the Building Employers Confederation, the industry's largest trade association. ● Government programmes:

There has been a steady increase in the number of jobless people going on to government training and work experience programmes. This takes them off the claimant count.

● Demographic factors: government officials said these could affect the rate at which unemployment drops as the economy recovers. At the beginning of the last decade the number of people entering the labour market was much higher than now, a factor which contributed towards the rise in unemployment after the recession was over.

By Andrew Taylor, Construction Correspondent

THE THAW in the UK housing market seen since the beginning of this year is continuing, according to a survey of more than 100 agents in real estate, conducted last month.

It provides further evidence of a revival in house sales and mortgage demand reported by house builders and lenders. The Royal Institution of Chartered Surveyors, which conducted the survey in England and Wales, said:

"Although recovery is slow, estate agents from nearly all areas reported increases in activity and sales."

Prices also appeared to be stabilising, although experience varied in different towns. More than 80 per cent of agents asked whether prices had moved in the previous three months, said they had remained stable.

Only 13 per cent reported prices falls. Three per cent of agents said that prices had risen by more than 2 per cent over the period.

GREEK EXPORTS S.A.

ANNOUNCEMENT OF A PUBLIC AUCTION FOR THE HIGHEST BID

GREEK EXPORTS S.A., established in Athens (17 Panepistimiou Street) and legally represented, in its capacity as Liquidator of the company HELLENIC MEAT INDUSTRY (ELVIK) S.A., and in accordance with article 46a of Law 1892/1990, as supplemented by article 14 of Law 2000/91, and decision No. 937/1992 of the Larissa Court of Appeal, and subsequent to the written declaration (incoming ref. no. 354/8.4.1993) of the creditor of para. 1 of the above article (Agricultural Bank of Greece)

ANNOUNCES

A repeat public auction for the highest bid with sealed binding offers for the purchase, in toto, of the assets of the HELLENIC MEAT INDUSTRY (ELVIK) S.A. which is under the status of special liquidation and based at Megala Kalyvia in the Department of Trikala, a few kilometres outside the town of Trikala, and will hereinafter be referred to as "the Company."

ACTIVITY AND BRIEF DESCRIPTION OF THE COMPANY

The Company is a fully vertical unit for the production of pork meat and is active in the production of animal feed, pork meat, meat by-products, sausages, slaughtering and meat trading and slaughtering services for third parties. It includes a pork breeding unit, an industrial meat unit, an industrial sausage-making unit and a waste treatment unit installed on a self-owned site of 819,000 m². The Pork Breeding unit has a present-day potential of 700 breeding sows. It has fully automated feeding, humidity, heating and ventilation. It is connected to the central complex for waste treatment. The industrial meat unit (slaughter-house) has waiting pens for animals before the slaughter, three slaughtering lines (pigs, bovines, sheep and goats), a separate sanitary slaughter-house and is automatically connected to the factory of by-product processing. The sausage-making unit has a daily potential of 8 tons. It has boiling ovens, maturation chambers, standardization sections, refrigeration chambers, storage rooms for the ready products. It produces boiled sausages and maturation products (salami etc.). The Company's industrial slaughter-house is the only one in Thessaly with modern facilities as a veterinary department. The company distributes the largest part of its sausages in this area.

TERMS OF THE AUCTION

- In order for the auction to take place, all interested parties are invited to receive from the liquidator, the Offering Memorandum as well as the form of the Letter of Guarantee needed for the submission of a binding offer to the Trikala notary public assigned to the auction, Mrs Emmanouil Kassapoulou, 23 Kolokotroni Street, Trikala, Tel. 30-431-36.613 up to Wednesday, 19th May 1993 at 19.00 hours. Bids must be submitted in person or by a legally appointed representative.
- The bids will be unsealed before the above notary on the Thursday 20th May 1993 at 10.00 hours with the Liquidator in attendance. All those who have submitted bids within the prescribed time limits can also attend. Bids submitted beyond the prescribed time limit will not be accepted or considered.
- The sealed, binding offers must clearly state the price offered for the purchase, in toto, of the Company's assets and must be accompanied by a Letter of Guarantee from a bank legally operating in Greece, for the amount of eighty million drachmas (80,000,000 drs.) or its equivalent in U.S. dollars.
- The Company's assets and all fixed and circulating constituent parts thereof, such as (immovable and movable property, claims, trademarks, titles, rights, etc., are to be sold and transferred "as is, where is" and, more specifically, in their actual and legal condition and location on the date on which the sale contract is signed, regardless of whether the Company is operating or not.
- The Liquidator, the Company and the creditor representing 51% of the total claims against the Company (Law 1892/90 article 46a para. 1 as in force), known hereafter as the Majority Creditors, shall bear no liability for any legal or actual defects or for any deficiency in the effects and rights for sale nor for the possible refusal of the State to approve, as required the transfer of elements of the assets, nor for their incomplete or faulty description in the Offering Memorandum and in any correspondence. In the event of inconsistencies, entries in the Company's books, as they stand on the date of signature of the sale contract, shall prevail.
- Prospective buyers, hereinafter referred to as "Buyers", shall be obliged, on their own responsibility and due care, and by their own means and at their own expense, to inspect the object of the sale and form their own judgement and declare in their bids that they are fully aware of the actual and legal condition of the assets for sale. The Buyers are hereby reminded that, in accordance with the provisions of Law 1892/90, article 46a, para. 4 as in force, having agreed in writing to maintain confidentiality, they are entitled to have access to any information they may require concerning the Company for sale.
- Bids do not contain terms which might prevaricate their bindingness or any vagueness concerning the offered price and its method of payment, or any other matter of importance to the sale. The Liquidator and the Majority Creditors have the right, at their incontestable discretion, to reject offers which contain terms and conditions, irrespective of whether these offers contain a higher price than that of other bidders. Such unacceptable terms would be, for example, requests for the improvement or transfer of fixed assets, or requests for guarantees in the collection of claims or the outcome of court actions brought by the Company in this respect, or compliance with recommendations regarding the security of the installations, or safeguarding the insurance cover, etc.
- In the event that the person to whom the auction is adjudicated, fails in his obligation to appear within twenty (20) days from being invited to do so, and sign the relative contract and fails to abide by the other obligations accruing from the present announcement, then the above-mentioned guarantee of eighty million drachmas (80,000,000 drs.) is forfeited to the Liquidator in compensation for expenses of any kind, time spent, any actual or hypothetical loss sustained with no obligation on the Liquidator's part to furnish any specific proof or deem that the amount has been forfeited to him as a penalty clause and collect it from the guarantor bank. Guarantees deposited by other bidders shall be returned to them after the Liquidator's evaluation report has been approved by the Majority Creditors and the highest bidder's guarantee shall be returned to him after he has paid the sale price and the act of settlement has been drawn up and signed.
- The highest bidder is deemed the one whose offer has been judged by the Liquidator and approved by the Majority Creditors as being in their best interests.
- The Liquidator shall not be liable to participants in the auction either with respect to the evaluation report or for his selection of the highest bidder and neither will he be liable to them for the cancellation of the auction in the event that its outcome is not approved by the Majority Creditors.
- Participants in the auction do not acquire any right, claim or demand from the present announcement or their participation in the auction, against the Liquidator, for any cause or reason.
- Transfer expenses of the assets for sale (taxes, stamp duty, notarial and mortgage fees, rights and other expenses for drawing up topographical diagrams as required by law 651/77, etc.) are to be borne by the Buyer.
- Those taking part in the auction will be committed to keep the enterprise operating in its present form.

For any information, interested parties can apply to:

- The head office of E.T.B.A. S.A. Directorate of Public Holdings 87 Simgrou Avenue (2nd Floor) Tel. 30 1 92 94 395 and 30 1 92 94 396 and to
- GREEK EXPORTS S.A. 17 Panepistimiou Street (1st floor) Tel. 30 1 32 43 111 to 30 1 32 43 115

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RECEIVERSHIPS/LIQUIDATION - PINK PAGES - The weekly guide to every insolvent company. Direct contact with Liquidators/Receivers. Fully indexed according to company type. Free sample copy - Tel: (0273) 628651. 24 Hrs

CHRISTOPHER LORENZ

The promise of a big saving on the payroll - which might typically be around 6 per cent - is particu-

A company that has taken the latter route is Asda Property, which is not paying out any more money this year but has introduced a salary sacrifice scheme instead. There are no fixed rules on how the tax

The scheme works so that each month the company pays the same net pay to its employees as before, distributing the extra at the end of the financial year when the final profit figure is known. If the company badly misses its target, and has therefore paid out too much over the year, the Inland Revenue recoups the money from the employer, not the employee.

So far, very large companies have held back from salary sacrifice schemes. The main problem, according to Brian Friedman of Stoy Hayward, is one of communication. "We wrote to everyone setting out the terms. We then published a booklet about it. We invited staff to briefings, and we ran a help line to deal with individual inquiries."

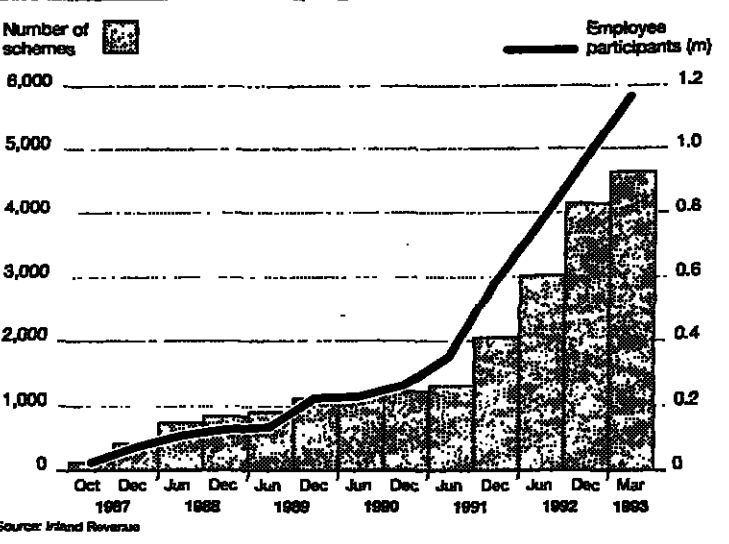
The accountants themselves were convinced. They are now setting out to convince their clients.

His conclusions contrast starkly with the notion that the world is becoming a "global village", in which a new generation of international managers will operate easily across borders. Instead, he argues that what works in one culture will seldom do so in another. On performance pay, for instance, Trompenaars finds that

A sixth dimension concerns people's attitude to time, especially the future. The final one is whether, like most Americans and north Europeans, they strive to mould their environment, or whether they tend to go along with it more, like most Europeans.

Trompenaars underplays the gradual narrowing of cultural differences among some younger globetrotters. But his prescription is a welcome antidote to blinkered universalism.

**Riding the Waves of Culture*. Economist Books. \$20.



Trompenaars distinguishes seven basic, but finely nuanced, dimensions of culture. Five concern the way people deal with each other. They include: 'universalism versus particularism' (behaviour based on general versus specific relationships); the slightly different 'collectivism versus individualism' (group-based versus individual behaviour); a 'neutral' versus expressive attitude to emotions; and the creation of status through achievement, versus what Trompenaars calls 'affiliation'; this is similar to the usual juxtaposition of 'personal' and 'positional' power.

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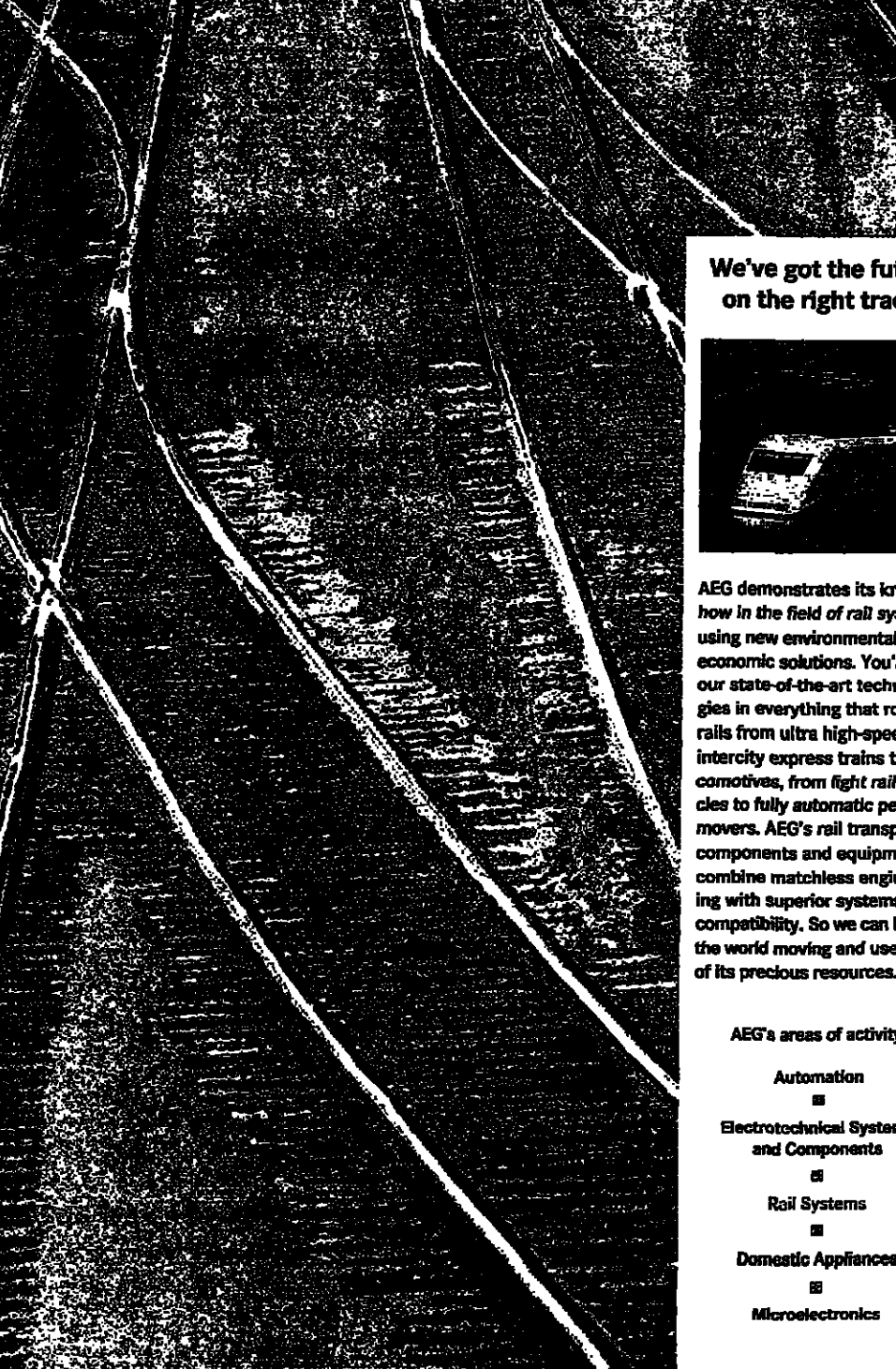
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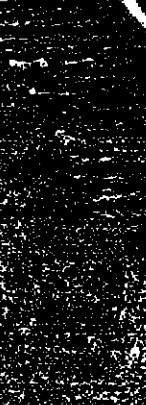
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A member of the Daimler-Benz Group

When Audi launches its latest top-of-the-range luxury car next spring it will be the culmination of one of the few joint venture projects between a European and a US company to have reached a successful outcome. For the car will be built mainly of aluminium, using technology jointly developed by Audi, the up-market subsidiary of Germany's Volkswagen group, and the Aluminium Company of America, the western world's biggest aluminium group.

How was it possible for companies with such different cultures to stay the course during the 11 years the project - called the aluminium intensive vehicle project - needed to come to fruition?

The answer, it seems, is that the bosses at both companies were personally involved at the start, were dedicated to the project, and never gave up pushing for its ultimate success.

Audi and Alcoa set themselves some daunting objectives and it was not clear until well into the project that these could be achieved. As Heinrich Timm, manager of the Audi team involved in the project and an engineer who has been with it since the start, says: "At the beginning nobody could guarantee that the concept would work."

The companies set out to design and build an all-aluminium car. But aluminium is much more expensive than steel, the traditional material used for car construction, so it was not going to be viable simply to substitute aluminium for other materials in most of the components.

Instead, the partners set out to design a car that had many fewer individual components and structures than were used in steel vehicles. This involved developing new aluminium alloys which would be safer than steel - which would crumple in a controlled way, for example, if a vehicle was in a crash.

At the same time, it was recognised that constructing an aluminium car would require a very different approach from the conventional car assembly line. New production processes had to be developed too.

Consequently, there were many times when the dedication of the men at the top was tested. There were times when engineers began to believe some of the objectives simply could not be reached; times when accountants asked searching questions about the budgets.

But the bosses would not accept defeat. At Audi there was Ferdinand Pisch, the "father" of the project and Audi's chairman, until he was promoted recently to become chairman of the Volkswagen group. He believed Audi was underrated in the car market and deserved a "place at the top table".

Audi and Alcoa are preparing to launch a tough but lightweight luxury car, writes Kenneth Gooding

Vorsprung durch aluminium



Audi's study for an all-aluminium sports car demonstrates the potential offered by aluminium for weight saving in car design

with German rivals BMW and Mercedes, and Jaguar of the UK.

He also believed that Audi would not gain this recognition by producing "me-too" cars which simply copied the virtues of those made by the competition. Audi needed to set itself apart by taking a technological lead over its rivals. With this objective in mind, 11 years ago Audi launched the world's first four-wheel-drive saloon car, the Quattro. Audi also started to use galvanised steel to make its cars more rust-resistant.

Pisch was already thinking about the next generation of Audi cars when he put his proposition to Alcoa. There it was seized on with enthusiasm by Fred Fetterolf, Alcoa's president until he retired two years ago, who could see it might well provide an important new market for aluminium. The joint venture was up and running in 1982.

Although many objectives were set, there were no deadlines. This removed a great deal of pressure from the Audi and Alcoa engineering teams but it also increased the chances that one or both of the

bosses would run out of enthusiasm or patience. In the event, it was the engineers who sometimes temporarily ran out of steam. "But whenever we suggested we should stop the project because we did not think we could find solutions, they said we must carry on," Timm recalls.

'We have changed the rule that says the bigger and better the car, the heavier it must be'

This backing, needed several times during the past 11 years, was unstintingly given even when Audi and Alcoa ran into troubled times. For example, Audi lost ground in its most important export market, the highly-competitive US luxury car market, because of the bad publicity that arose when some customers experienced unexpected acceleration problems.

As for Alcoa, there were even some years, in the wake of the oil

supply crises in the 1970s, when some of US group's senior managers seemed to have lost faith in the future of aluminium, a metal whose production process absorbs huge amounts of energy.

Throughout that difficult period Fetterolf remained steadfastly behind the AIV (aluminium intensive vehicle) project.

"We are very happy with the association with Alcoa," says Franz Josef Kortum, who has taken over from Mr Pisch as Audi's chairman. "It works very well because both sides are dedicated to show the world this concept will work and can bring the world new technology. Alcoa is fighting for the aluminium story and we also have much to gain. We can make our slogan *Vorsprung durch Technik* come to life."

From the outset it was decided each of the companies would pay its own costs. It was expected that during the research and development phase those costs would fall about equally on each of them. From this early work they developed special aluminium alloys for a spaceframe, a skeleton-like car body structure,

composed of fewer than 100 extrusions and castings which can be welded by robots. This compares with the conventional car structure that requires spot welding of as many as 300 stamped steel components. The new aluminium alloys and casting processes improve the metal's strength and toughness, enhance its "crushability" - the ability to crumple evenly and predictably - and its shock absorption.

For car makers, the new technology offers several advantages: it cuts the weight of a car's body by about 35 per cent compared with traditional steel bodies without reducing the vehicle's size; it reduces tooling expense by as much as 50 per cent, and cuts the number of parts to be stocked and the time taken from design to production.

The partners agreed that, at a certain point, they would go their own ways with the technology. Alcoa has built a \$70m (£45m) plant at Soest in Germany to produce the spaceframes and other aluminium components for Audi and will be offering the technology - and products from the Soest plant - to other car makers.

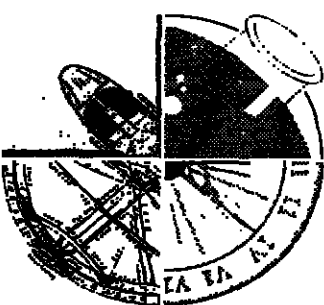
Audi has spent about DM1bn (£400m) to bring its new luxury car to the market. Kortum says: "This is our most important project. We are trying for the second time for success in this segment of the car market and this is a great challenge for the company. But we will set new standards in this segment. We have changed the rule that says the bigger and better the car, the heavier it must be. It is true that cars generally have improved enormously, but the weight has increased enormously too."

He says the new Audi will offer drivers "a new experience because of its light weight, stiffness and rigidity and safety". Many will find its performance and low fuel consumption astonishing. "And this is because it is built of aluminium."

Kortum says, however, it is not yet possible to promise that all Audi's cars will one day be using this technology. At present the process is economic only for production runs of up to 100,000 cars a year but the partners are looking for ways to make longer runs viable.

In the meantime, before the new car is launched Audi's biggest marketing challenge, ironically, is to undo some of the aluminium industry's work in promoting the metal as the ideal, recyclable, material for beverage cans and other types of packaging. Kortum says: "Our marketing must emphasise that all aircraft and rockets use this material. We must re-educate people so that they associate aluminium with high technology, not with something you throw away when you have finished with it."

Worth Watching - Della Bradshaw



Damaged goods sent packing

"Damaged in transit" is an all too frequent expression, but for many small valuable items, such as china or electronic components, it could soon become redundant.

Rapida Pak, of Bedford, has developed a packaging system that suspends delicate items in a flexible film inside a sturdy double-walled corrugated cardboard frame.

A sheet of the bio-degradable film, developed by Wolf Walsrode, in Germany, is stretched across the two halves of the cardboard frame. When the item is placed inside and the box closed around it, the film stretches to the shape of the product, holding it tightly in place. Rapida Pak: 0234 214896.

Plain fax on a thermal printer

Many companies are considering whether to replace their thermal fax machines with plain paper models. Murata, a subsidiary of Murata Machinery of Japan, believes it has come up with the best of both worlds - a thermal fax machine that prints on plain paper.

Because the F-70 uses inkfilm transfer thermal printing, in which the image is transferred from the inkfilm to the paper, the costs are stable - 2.5p a sheet. But the use of plain paper means the document does not fade, curl or need photocopying before filing. Murata: UK, 0737 780178.

Dental work to chew on

If you want to prevent tooth decay you should be choosy about the type of artificial sweetener in your chewing gum, according to research from the Central

American country of Belize.

The 28-month study of 1,000 10-year-olds, conducted by Kauko Mäkinen of the University of Michigan Dental School, showed that children who regularly chewed xylitol-sweetened gum had half the new cavities of children who chewed gum containing rival sweeteners.

The research was sponsored by Leaf, of Finland, which makes gum containing xylitol. Xylitol is found in fruits and plants and produced commercially from birchwood. Mäkinen says that unlike other sweeteners, xylitol helps neutralise plaque acids and so promotes natural remineralisation. Leaf: UK, 0272 511122.

Computers put in the picture

Japanese electronics company NEC has developed a computer system that can identify famous pictures from rough sketches drawn on the screen.

The Intellectual Image Search System uses pattern recognition technology to analyse the colour and composition of a sketch and matches it with the most appropriate image in its database.

As well as innumerable multimedia uses in education, NEC predicts that the system could be used to catch criminals by matching rough sketches drawn by witnesses to images on a police database. NEC: Japan, 03 3798 6511.

White mineral blocks the sun

For those who spend their summer holidays worrying whether the sun is damaging their skin, Masta, part of the London School of Hygiene and Tropical Medicine, has developed a sunblock which, it believes, has advantages over existing cosmetic creams.

The lotion, a healthcare rather than a cosmetic preparation, contains the mineral titanium dioxide. It provides a sun protection factor of 15 against UVA and UVB rays.

Titanium dioxide provides the white pigment in paint. In the adult formulation of the lotion the whitening is minimised, but for children it is retained to indicate whether the child's skin has been completely covered. Masta: UK, 071 631 4408.

PEOPLE

Liberty carries the torch for Cadbury

Hard on the heels of the appointment of two part-time directors, Liberty has decided to split the two top executive roles at the up-market fabric and fashion group, bringing in Patrick Austen (right) from BTR as chief executive. Harry Weblin (far right), who is 63, will remain as executive chairman.

John Pugh, finance director, denies the move was solely inspired by pressures from Brian Myerson, the London-based South African investor whose attempts to secure voting rights for all the company's shares at last summer's general meeting were roundly trounced but who still holds 15.77 per cent of the voting and nearly 8 per

cent of the non-voting stock. "Splitting the roles" was on Mr Myerson's agenda, but it was also on Cadbury's agenda. Moreover, the search was made with a view to Harry's retirement in a couple of years' time. A happy coincidence," according to Pugh, who adds that the search has been going on for "not quite a year".

Myerson, meanwhile, who says he was introduced to the new man three weeks ago but was not directly involved in picking him, thinks he "has all the credentials to do the job. I spoke to him this morning and wished him lots of luck - and I don't mean that sarcastically."

Austen, 49, is being hired not



for his retailing skills - Weblin, an ex-Harrods executive, has those - but for his brand savvy and textiles experience. With 22 years at ICI Fibres under his belt, albeit handling rather different fabrics from Liberty silk, he moved to Pretty Polly in 1983, just before BTR acquired its then owner Thomas Tilling. He is credited with the vigorous expansion of Pretty Polly sales. Since 1987 he has been chief executive of the consumer products group of BTR

- which includes brands such as Dunlop and Sazenger - a division which turns over £250m annually and employs some 3,700 staff. And how will the hard-nosed BTR approach go down at the genteel Regent Street headquarters? "Any form of discipline is going to be good for the company," Pugh counters, while others comment that Austen, a keen golfer and blue water sailor, is notably more relaxed than some of his erstwhile colleagues.

Rose steps into Coleman's cast-offs

Burton, the UK fashion retailing group, confirmed yesterday that John Coleman has resigned as head of its Dorothy Perkins division. The company would not comment on the reason for Coleman's departure, but there is speculation that he is being considered for other senior retail positions.

He will be replaced by Stuart Rose, managing director of Burton's Evans chain.

Rose, 44, spent the first 17 years of his retail career with Marks and Spencer, 12 of them in the food division. For the final 18 months he worked at M and S's highly successful Boulevard Haussmann branch in Paris.

He joined Burton in 1989 and worked as a buying and merchandising director at the Debenhams department store chain before joining Evans. Rose's eventual replacement at Evans will be Nick Hollingworth, managing director of IS, the discount retailer that comes under the Evans umbrella.

■ Oliver Whitehead, group chief executive of Babcock International, has been confirmed as Graeme Odgers' replacement as group chief executive at ALFRED McALPINE.

■ Dave Willett, president of Servconex Company in Boston, has been appointed a main board director.

■ Nicholas Harrington, finance director and company secretary, has been appointed to the board of ASPREY.

■ Marcus Hewson, regional director for London and the south region, and Andrew Taylor, regional director for the Midlands, have been promoted to senior vice-presidents on McDonald's RESTAURANTS top UK team; this consists of two executive vice-presidents and three senior vice-presidents.

■ Malcolm MacIntyre, formerly manufacturing director, has been appointed md of PLYSU.

■ Arnie Iverson has been appointed to the board of WOODCHESTER INVESTMENTS.

■ Andrew Keyte has been appointed marketing director of UK GOLD; he moves from Warner Home Video. Cynthia King Vance has been appointed finance director; she moves from McKinsey.

Engineer quits Invesco MIM

The surprise resignation of Invesco MIM's finance director Ratan Engineer yesterday will almost certainly not be the last departure, with other changes understood to be afoot, at least below board level. The troubled fund manager has already lost other senior staff this year.

Engineer had been with the group for six years, the past four as finance director. He had also chaired Drayton Asia, the investment trust which Invesco has just lost to EFM Dragon after a strongly contested battle. Before joining Invesco, he had been a partner and head of corporate finance at Robson Rhodes.

Michael Perman, company secretary, says that Engineer's departure was "totally unrelated to Drayton Asia". He alluded to the management changes over the past year in the course of which the American Charles Brady first became chief executive and now executive chairman. "Ratan has been heavily involved in implementing the changes, and he stayed to help do the results. Now he wants to change his focus. It is a personal decision and totally amicable," says Perman.

Engineer's departure does raise again the question of the future location of head office. With the bulk of funds under management emanating from the US there has been speculation that a move across the Atlantic may not be far away.

BULGARIA

The FT proposes to publish this survey on May 5 1993

It will be seen by leading international businessmen in 160 countries worldwide. If you would like to promote your organisation's involvement to this important audience please contact:

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FT SURVEYS

Change of Address

WITH EFFECT FROM 26 APRIL 1993

It is with much pleasure that we announce the change of address for the London Representative Office of The National Commercial Bank from our present premises in Bevis House, to

Dashwood House
69 Old Broad Street
London EC2M 1QS

Our other co-ordinates remain as before:-
Telephone: 071-283 4233
Telex: 8952594
Fax: 071-929 4373

Please note that all correspondence, including Annual Reports, should be sent to our new address from 26 April 1993 onwards.

Jinx Gaffney-Smith
LONDON REPRESENTATIVE

Kuthier Shihab
ASSISTANT REPRESENTATIVE

البنك التجاري
THE NATIONAL COMMERCIAL BANK
LONDON REPRESENTATIVE OFFICE

Bowman bows out



The search is on at accountants Price Waterhouse for a new chairman of its European firm, following the announcement that Sir Jeffrey Bowman, the incumbent, is to retire this autumn.

Sir Jeffrey, 58, has been chairman since the creation of the pan-European structure when UK and European firms combined in 1988. He has helped guide the integration of the firms since.

Sir Jeffrey was previously senior partner of PW in the UK from 1982-91, and had been with the firm since 1968. He was joint chief executive of the PW world organisation from 1990 to 1992 and joint chairman since 1992.

He says he plans to travel less, play more golf, stay at home and take life a little more easily. "But I have no doubt that something will come up," he adds.

An electoral college of about one-tenth of the firm's European partners is currently considering candidates to replace him after he leaves on September 30. Nominations are expected to be complete by July.

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THE PROPERTY MARKET

When Mr Sydney Mason, the autocratic 72-year-old chairman of Hammerson, retires this summer, it will be the end of an era for the property company he has dominated for the past 34 years.

Mr Mason has been virtually synonymous with the group since he took over as chairman from Lew Hammerson in 1958. Although he relinquished the post of managing director in 1988, the company is still perceived as his personal fiefdom.

His retirement will also mark the end of an era for the industry. Mr Mason is the last surviving member of the postwar generation of property tycoons, the last of the men of the old school.

Mr Mason's retirement is widely seen as long overdue. Nonetheless his colleagues talk reverently of his "gut feeling" for property, his instinctive ability to size up the value of a deal. "He has a nose for property; he can smell a deal," says Mr John Parry, Hammerson's managing director. "He is street wise."

Much of this nous comes from experience, a matter of knowing the finer details of every deal in the market. Mr Mason expects the same standards from his advisers. When he travels abroad to inspect a building, agents are well advised to memorise the details of every building on the route from the airport to the city.

For his part, Mr Mason credits the group's growth to "good luck" and "location". The advantages of sticking to central, prime locations has been at the heart of the group's philosophy. He is scathing about the foolishness of venturing into areas like the London Docklands. "Every British developer could have done the docklands at any point

Hammer falls on the last of the old school

Vanessa Houlder on the departure of Sydney Mason after more than four decades at Hammerson

over the past 20 years," he says. Mr Mason claims that it was comparatively simple to build up a property group in a period when properties could be financed without relying on rising rent reviews. "We started in a modest way and grew by internal growth. It was relatively easy."

But Hammerson's evolution was not a passive affair. Much of the skill behind its growth came in piecing

Mr Mason has described his early years in the business as one of "pirates and buccaners". But in the second half of the 1980s, the group was increasingly criticised for being too cautious and failing to exploit rising property values.

When in 1988 Rodamco, a Dutch investment group, made a bid for Hammerson, it said: "During a period of buoyant growth in the UK property sector, Hammerson has lost its way and has failed to take full and profitable advantage of an active market."

Rodamco's £1.3bn bid was foiled when Standard Life, the Scottish insurance group, came to Hammerson's rescue. Standard increased its stake in Hammerson from 17.8 per cent to 29 per cent by paying £11 a share for its ordinary shares. Standard's loyalty has so far been poorly rewarded: the ordinary shares yesterday stood at £3.20.

But for all Hammerson's conservatism, the company has not been immune from investment disasters. In October 1991, it had to write off

£90m against a single property in New York. It has recently made a £12.9m provision against land at Mississauga in Canada.

Hammerson's international spread of businesses has also served it badly. It has been exposed to currency fluctuations while the simultaneous decline of most of the world's property markets has meant that it has reaped few benefits from its policy of diversification.

The group's net asset values and earnings per share have also fallen below the level of a decade ago. It is no longer the UK's third largest property company: both British Land and Slough Estates have larger market capitalisations. This week Hammerson announced it was to reduce by more than half its dividend, from 20.5p to 10p.

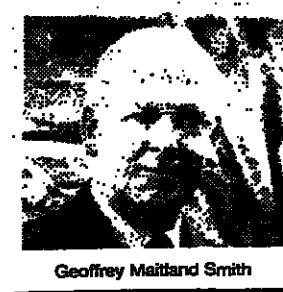
Its gearing of 114 per cent is acknowledged by the company to be too high, although Hammerson plays down its need to raise more cash. "You don't want to reduce your gearing too much at the bottom of the cycle," says Mr Parry.

Nonetheless, nothing can be ruled out until Hammerson's new management has got its feet under the desk. A rights issue may still be on the cards, perhaps to the tune of

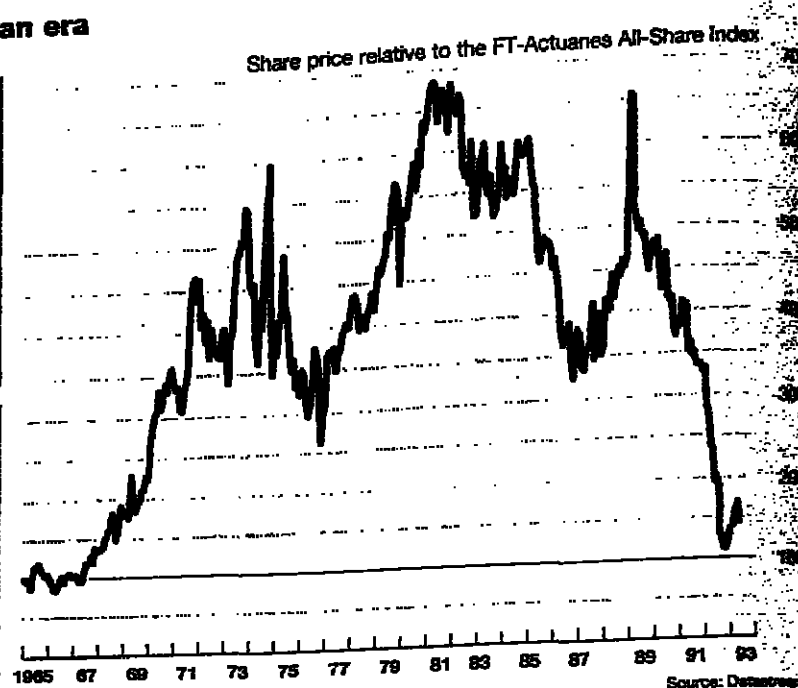
Hammerson: end of an era



Sydney Mason



Geoffrey Maitland Smith



Source: Datastream

£200m. That would stem the need to sell more assets, which does little for the group's cash flow since income from property would broadly equal interest costs. A rights issue would even allow the company to turn from seller to buyer.

The company's new chairman will be Mr Geoffrey Maitland Smith, chairman of Sears. The new chief executive will be Mr Ron Spinney, a former managing director of Greycoat, who will replace Mr Parry, who also retires this summer.

Mr Maitland Smith promises "evolution not revolution". One of the management's first tasks will be

to conduct a review of Hammerson's strategy. This will examine: ● the constraints imposed by Hammerson's policy of owning a relatively small number of big properties around the world;

● the company's management structure and its perceived failure to bring in young talent;

● and the geographical and sectoral balance of its portfolio.

For the first time since 1949 when he joined the group, Mr Mason will not be playing a part in the group's strategy. He is clearly disappointed at stepping down at one of the lowest points in the group's fortunes. "After 40 years during which we

have had sustained growth in value, dividends and share prices, to go out at the bottom is sad," he said. Although Mr Mason will maintain a link with the company as life president and a non-executive director, he will no longer exercise any real influence. "I won't be breathing down Ron Spinney's neck," he promises.

He is cautiously optimistic about Hammerson's future, playing tribute to Mr Spinney's background and knowledge. He says "time will tell" what the change of management will do for the company. "I can only hope it will be a highly successful decision," he says.

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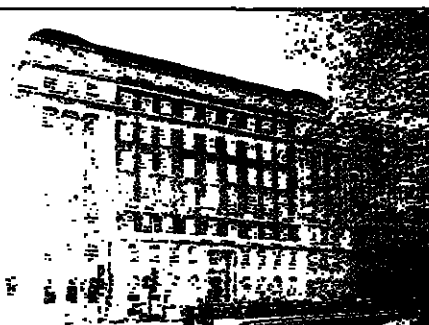
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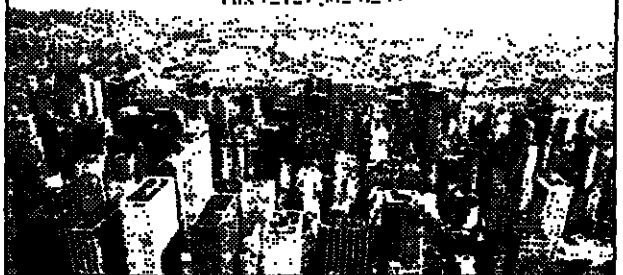
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Elephantine: 'The Daughters of Cecrops Finding the Child Erichthonius', 1617, by Jordaens

Ample flesh to the fore

Patricia Morison reviews Jacob Jordaens in Antwerp

The subtitle for Jacob Jordaens, at the Royal Museum of Fine Arts in Antwerp, could be "The Triumph of Fat". As Americans put it, I have a problem with Jordaens - which is not to say anything against an engrossing exhibition, the most ample (*le mot juste*) exploration of Jordaens' art for a quarter of a century.

This exhibition marks the 400th year of the birth of Jordaens. Well selected, with paintings which give a full idea of Jordaens' huge output, the show makes a prestigious beginning to Antwerp's year as European Capital of Culture. Jordaens' reputation has had its ups and downs: in the last century he was hailed by Flemish nationalists as through and through a Fleming - earthy, sensual, cheery and scrupulously honest; and at a time when the fractured nature of Belgium grows more evident by the month, it seems fitting that the focus is once again on Jordaens.

Even by 17th-century standards, Jordaens was an extraordinarily fleshy artist which makes it hard for anyone too set on the 20th-century ideal of beauty to appreciate his work. His men and women swell, sag, and ooze from their clothes - when they are wearing any. As he grew older and lost his youthful bounce, figures which had at first boldly filled canvases became smaller but not leaner, leaving more room for sub-Rubens landscapes or squirming Baroque architecture. A Jordaens nude, highly appreciated in his day, can be a loathsome thing as in the elephantine blonde in "The Daughters of Cecrops Finding the Child Erichthonius".

Dogs, cows and horses abound in Jordaens' paintings, and he had a mania for parrots. Rubens generally had the accomplished Frans Snyder to add in the animals, but in Jordaens' equally prolific factory it seems much less clear who did what. Assistants busily recycled figures from the huge stockpile of drawings, plonking them on canvases with fine dis-

regard for relating them either to each other or to the setting.

Quality control lapsed to a degree which had not been true of Rubens' workshop. Whoever wielded the brushes, it is impossible to exonerate the master for sending out paintings as awful as the late "Mercury and Argus" (private collection), with cows like dollops of melting lead.

While Rubens and Van Dyck were alive, young Jordaens was regarded as third among the history painters in Antwerp. Unlike them, he never went to Italy. After they died, he became number one painter and had some very grand clients - including Charles I of England who ordered but never got a decorative cycle for the Queen's House in Greenwich.

The fascinating thing about this exhibition is the gulf in ability between Jordaens and his great predecessors. A Jordaens portrait can be pretty, as in the half-length "Portrait of a Young Lady" from Vienna. But he has none of Van Dyck's ability to convey refinement, intellect, nor languid melancholy. Time and again, his bravura painting of heads is let down by clumsy bodies.

Jordaens's Prado self portrait with his wife and child is a lovely exception, but in many groups the figures tend to be huge-jugger. A late portrait from the Hermitage of a man and two women is a collapsing mountain of satins and billowing white bosoms. The gentleman's leg sticks out in the most inelegant manner from under the skirt of a lady whose legs have apparently given way. One of Jordaens' regrettable cupids prods at her melon breast with his arrow. Dignified it is not, but the artist has created a quite extraordinarily happy portrait.

Animal high spirits demonstrate the best of Jordaens, who has a gift for capturing smiles and laughter. He can make us smile, too. In the "Allegory of Fruitfulness" from the Bass Museum in Florida, the tiger flinging grapes from a basket almost steals the scene. Subjects like "As

the Old Sang, So the Young Pipe" (versions from Antwerp, Valenciennes, and a private collection) and "The King Drinks" (from Brussels), have long been the most popular aspect of Jordaens.

Important and little-known religious paintings confirm the suspicion that dramatic scenes of grief and suffering were not Jordaens' strong point. His penchant for including contemporary peasants in religious scenes conformed to Counter-Reformation piety, but because they are such coarse brutes, the effect is a far cry from Zurbaran. "The Holy Family with Various Persons and Animals in a Boat" is quite as hilarious as the title suggests. The catalogue (in two volumes and very desirable) disputes the view that Jordaens' conversion to Calvinism had any effect on what he painted, or for whom. He was too much the professional for points of theology to make any odds.

The treat is the last room, a splendid finale. Here is Jordaens the tapestry designer - something which for which he was tremendously in demand. Six Brussels tapestries, "The Riding School", are almost the complete set from one bought for a Habsburg wedding and still in Vienna. They look almost as good as new, their crimson and green hardly faded. Jordaens produced quite a few horsey tapestries, an illustration for the current fashion for applying astrology to horse-breeding. Like people, horses had star-signs; a Renaissance edition of *The Raising Times* would have printed a horoscope for horses. These tapestries of Spanish-style dressers are magnificently ebullient and infectious light-hearted. Gods, men and women, horses and peacocks, mingle on the friendliest terms. Here is the best of the world according to Jordaens.

Sponsored by Gemeentekrediet and Sabena. Exhibition continues until June 27, 1993. Closed on Mondays; late opening Wednesdays until 9 pm

Jazz/Gary Booth

Bheki Mseleku

Poor Bheki Mseleku - everybody so wants him to be The New Thing in Jazz. A co-winner of the Mercury Music Award for album of the year in 1992 with his much acclaimed *Celebration*, the gentle South African pianist and sometime tenor player is the reluctant successor to the Abdullah Ibrahim award for the cap's most exciting musical export.

Ibrahim, aka Dollar Brand, is firmly established as a stimulating soloist and an inspiring leader. But Mseleku, a captivating personality who has his own absorbed sound, seems not yet to have a grip on the wide open spaces of solo performance. He showed he could lead with the *Celebration* team but on Monday's showing, alone in the unforgiving Queen Elizabeth Hall, he offered little musical relief.

The concert began with promise, a burning joss stick set behind the piano (a habit of Ibrahim's) before Mseleku walked on breathing rusty melancholia through the tenor as he did so. After some minor piano chords answered by Mseleku's grainy and nasal utterances were replaced by flurried notes, the tone of the long set was cast, however. Perhaps Mseleku, a gentle soul who dedicates his performances to "all the masters of spiritual enlightenment and the great avatars" and an exile from apartheid, was disturbed by the hideous events unfolding at home on that day, but this

was all too flat, far too long. At other times, and in a group, the ragged technique which draws as much on Ellington as it does on the townships, works up waves of ideas which tumble out poetically. Alone on the South Bank, Mseleku seemed to struggle with initially interesting arpeggio runs which collided rather than ran together. Four movements of pre-occupied, superlatively soothing improvisation later and Mseleku was still having trouble shaping ideas. Deliciously tender cadenzas sliding off the right hand side of the piano and the player's own quaver-

ing vibrato barely made up for the too naive art which went before. Eventually the addition of Tunde Jegede's *kora* for the last number added some depth to the delicate impro-

Monday's meanderings may not have been a good advertisement for the new solo album, *Meditations* (Samadhi SA CD 001), and will not prevent Mseleku from drawing eager crowds to his quartet's UK tour, but it does show that these are yet early days for this talented musician.

Bheki Mseleku, Marvin "Smitty" Smith, Michael Bowie and Denny Baptiste UK tour: June 24, Cheltenham; June 25, Glastonbury Festival; June 26 Bradford Festival; June 27 Cambridge; June 28, Warwick University; June 29, Blackheath

Opera/Richard Fairman

A Scottish 'Norma' to cherish

One of the enduring memories from my year at opera school is watching Caballé rehearse Norma, tripping lightly along the coloratura up to top C's and down again. Unfortunately it never sounded as easy as that in the performances. The role seems to invite vocal mishaps, as when a later soprano at Covent Garden opened her mouth to deliver the crowning top note of her entrance aria and nothing came out.

What a pleasure it is after so many years of disappointments to come out of a performance in which the soprano had all the notes - the high, the low, the loud, the soft, all there for her to pluck from the air as deftly as a sprig of Norma's holy mistletoe. Jane Eaglen was the singer, to whom Scottish Opera has entrusted its new production of Bellini's opera. In recent seasons she has done them proud in several other roles and this was her due.

There are just a couple of ways in which she falls short of the ideal Bellinian soprano and it is best to get those out of the way at the outset. The voice is not really Italianate at heart, not vibrant with emotion, open, intense; nor does she always drive home a phrase at the point where it counts (although I note that her final solo, "Deh! non volerli vittime", raised the emotional temperature enormously).

In every other respect this was a magnificent display of confident and secure singing. Miss Eaglen is more ambitious vocally now. Her "Implores" to Adalgisa melted into the softest tone. The cadenza up to a high B in front of Orvoso was a marvel of floated quiet singing from so big a voice. It comes as no surprise to

read in the programme that her future engagements are to be in Vienna, Chicago, Paris etc.

As this opera contains some of the finest of Bellini's music, it would seem to invite the sublime in a production, but all it usually gets is the ridiculous (remember Covent Garden's pack of neanderthal yokels galumphing around the stage?) Judge's production has its share of the



Jane Eaglen: a world-class Norma

ristible. The priestesses enter like a chorus-line of *Druidic Tiller-girls*, clad in the most snazzy bronze body jewellery with multi-coloured fans on their heads, and they wield wicked-looking scythes.

But I must not mock. As productions of Norma go, this one at least has the advantage of an ingenious set, which gives us a real sacred grove, in which the Druids can attend to their rites; and Judge is one of the most able at working with his singers to bring drama, emotion and personality from the music. From Jane Eaglen he drew far more than the usual stock melodramatic poses.

It was unfortunate that the scheduled Pollicone was only able to act the role, while another sang from the side of the stage. Katherine Ciesinski sounded somewhat curdled of tone as Adalgisa, but she was brave enough to take the top part in her first duet with Norma, when other singers of the role usually shelter faint-heartedly underneath. Norman Bailey, looking a Merlin-like elder with long, white locks, was a suitably grave Orvoso.

John Mauceri conducted, giving us every note of the score as it is printed in most editions, plus the calm ending to the "Guerra" chorus, which Bellini cut from his autograph. The ornamentation, worked out during rehearsals, was among the most stylish of its kind. In fact, all told, this was among Scottish Opera's finest efforts: the company has provided a fine showcase for its world-class Norma.

Production sponsored by the Peter Moores Foundation. Further performances at the Theatre Royal, Glasgow until May 6, then Aberdeen, Edinburgh and Newcastle

Theatre/Alastair Macaulay

For Services Rendered

Good chaps - white men - pick of the British nation. That horrible war! Terribly fond of you, old thing. When you think of what the War did to him, I'm only too happy to sacrifice myself for him. I may only be a farmer now, but I've been an officer and a gentleman. I don't suppose he drinks any more than anyone else of his class. Are you awfully in love with me? Awfully.

And so on. In his 1932 play *For Services Rendered*, Somerset Maugham catches all the argot and snobberies of the midwar English upper middle class, and shows them up as a facade. Frustrations and disillusion are ready to burst forth. And they do. They do. Mrs Ardsley (Sylvia Syms) is terminally ill, her son (Tim Sabel) is an invalid blinded in the Great War, her daughter Ethel (Harriet Bagnall) has unhappily married a mere common farmer (Colin Hanks), another daughter (Moir Leslie) is being driven bonkers by a life of spinsterly self-sacrifice, and a third daughter (Sarah Burghard) is tempted to elope with a married man just to win some

independence.

Maugham shows how the war spoils everybody's world. Even Mrs Ardsley, preparing for death, admits to her son that she is out of place in the modern world: "I'm pre-war". All this has a certain sociological interest today. The designer, Kit Surrey, sets the Ardsleys' drawing-room pointedly between a backdrop of English landscape and a foreground of burial crosses and Remembrance poppies.

Yet half the war stuff seems rather laboriously tacked on. The play is really just a diagram of the minor provincial gentry's pathetic decline. Every character is plainly a type. When blind, hard-headed Sydney says, "There are families all over England just like us," he is only too right. If a play is to live, we need to believe in the particulars that make its characters like nobody else but themselves; but not so here.

The first quality that a play like this needs in performance today is sheer tact. We have to buy all its old-school understatement and circuitous snobberies without sniggering at them. In this respect,

Deborah Paige's staging is excellent, its period sense flawless. Sarah Burghard is not luminous enough to persuade us that married men would really fall for her, but she shows Lois's dilemma with perfect clarity. As her crazed sister Evie, Moir Leslie does a very good job, bringing off a fit of violent hysterics and a mad scene. Ann Penfold, Terry Taplin, Jeffrey Segal, Harriet Bagnall, Colin Hanks, and Peter Halliday all contribute fine pieces of period character acting.

But it takes another order of performance, conjuring eloquence from every detail, to make such a play gripping. For this, see the beautifully understated playing of Sylvia Syms and Tim Sabel as dying mother and blind son. Every feature of body language makes its point, every phrase makes its impact. With these two this play spirits us back through the decades as if 1932 were alive today. Elsewhere it is just a creaky, "interesting", bitter little piece of period sociology.

At the Old Vic; limited season

Schiller's 'The Robbers'

It amazes me, again and again, that you can so often find rarely-performed cornerstones of world theatre in London's pub theatres. Right now, in the Grace Theatre, up above The Latchmere in Battersea, you can see Friedrich Schiller's first play, *The Robbers* (*Die Räuber*, 1780). Liberty! Equality! You are buried headlong into a world far from Battersea, far from 1993 - and yet you know, as you watch, that plays like this, written in a blast of proto-Romanticism before the French Revolution, helped to create the world we know today.

It is a double amazement to find such a play in these circumstances, because Schiller is a mighty hand playwright to bring off in performance today. His brow is heavy, his tone earnest, and, in *The Robbers*, he is quicker to plunge us into a climate of *Sturm und Drang* and moral/philosophical dilemmas than he is to create a living, detailed, stage world.

Schiller knew his Shakespeare - as F.J. Lampert's Penguin translation (used here), underlines. The plot opposes two brothers, very much like Edgar and Edmund in *Lear*. The younger, Franz, plots against both his brother, Karl, and their father - wanting not only power but also Karl's beloved Amalia. Karl, banished, takes to brigandage, using violent methods to destroy the corrupt rich; and becomes, in the last resort, wholly absorbing.

Both become prey to conscience. Near the play's dénouement, they alternate in

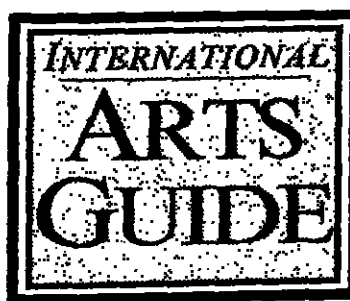
soliloquies, like Shakespeare's Richard III and Richmond: but their concerns are right, wrong, justice after death and the soul's immortality. As Schiller turns either brother's position into anguished metaphysical speculation, he comes close to such playwrights as Tirso de Molina or (his near-contemporary and friend-to-be) Goethe. And *The Robbers*, which has often seemed an over-loyal play, as it climbs into yet loftier regions, surprisingly transcends itself, and becomes, in the last resort, wholly absorbing.

It would take a remarkably sophisticated team of actors to manage the melodramatic heroism in which Schiller steeped

this drama. Paul Miller's cast consists chiefly of young, good-looking actors. Several of them attend too much to surface details - brightly intense facial expressions and stiffly fidgety gestures and too little to the fascinating Romantic energies beneath.

But, as Karl, Dominic Taylor delivers a superb performance. He is marvellously economical and controlled, absolutely in control of every climax, thrilling in outcry, movingly sincere in quiet reflection. There are areas of Romantic despair and tragic distraction that he does not yet fill out, but he shows you the grand shape of this dark hero's mind with power, virility, stillness, and even wit. And as the play proceeds, it sweeps everyone else up to his level.

At the Grace Theatre, SW11, until May 1



This year's Prague Spring Festival (May 12-June 1) will be the first time in the festival's history that a non-Czech orchestra has given the opening concert. Although a Czech conductor, Libor Pesek, will be in charge, the musicians on the platform will be British - the Royal Liverpool Philharmonic Orchestra, of which Pesek is music director. Ever since the first festival in 1946, the opening concert has been a national ritual, taking place on the anniversary of Smetana's death, and devoted to his music. The Czech homeland, Ma Vlast, Foreign ensembles were always welcome but Czech musicians had a monopoly on the opening event. This was broken towards the end of the Communist era, when one or two distinguished foreign conductors who were closely associated with Czech music were invited to direct the concert. The choice of a foreign orchestra

this year is a further break with tradition, signifying the country's greater openness to the outside world since the 1989 Velvet Revolution. But it is also a measure of the RLPO's reputation in Prague: its recording of Ma Vlast with Pesek has won respect, and together they have visited Prague on previous tours. Since the downfall of Communism, the festival has turned its back on Russian artists (apart from Lazar Berman, who gives a piano recital on May 17). Lack of funds has also dictated a reduction in the number of western artists. That leaves plenty of room for native Czech talent, which was always the main attraction for foreign visitors. If not for the home audience. Emigré musicians welcomed back this year include Martin Turnovsky and Jiri Kout, who conducts Mahler's Eighth Symphony on May 21 and the traditional closing performance of Beethoven's Ninth. Booking from Prague Spring Festival, Heličkova 18, 11600 Prague 1 (fax 536040).

EXHIBITIONS GUIDE

ARLES Espace Van Gogh Alexei Jawlensky (1864-1941): 70 paintings, including little-known works from American collections, covering the career of the Russian artist who settled in Germany and became part of the Expressionist movement. Ends June 30 BASLE Kunstmuseum Hermitas in art from

15th to 20th century: a study of the way European painters used the theme of isolation to enrich the art of landscape painting. Ends May 23. Daily

BERLIN Altes Museum The Etruscans and Europe. Ends May 31. Closed Mon Martin-Gropius-Bau Aldo Rossi: 40 models and 300 drawings by the 61-year old Italian architect. Ends May 2. Closed Mon

CALAIS Musée des Beaux-Arts Les Salons retrouvés: an exhibition offering insight into the sudden burgeoning of artistic life in northern France between 1815 and 1848. Ends June 14.

COLOGNE Museum Ludwig Picasso: 180 works from the Ludwig Collection. Ends May 16. Closed Mon

DRESDEN Albertinum Giorgio Morandi (1890-1964): retrospective of the Italian still-life painter, whose meditative spirit has something akin to Cézanne and Chardin. Ends June 6. Also Gotthardt Kuehl (1850-1915): 75 paintings and 41 drawings by the German Impressionist. Ends June 9. Closed Thurs Kupferstich Kabinett A Century Ago: paintings and drawings by Munich, Toulouse-Lautrec and other prominent artists of the late 19th century. Ends May 14. Closed Sat and Sun

THE HAGUE Mauritshuis Cornelius Troost and

the Theatre: an exhibition tracing the 18th century Dutch painter's close ties to the theatrical world. Ends May 27. Closed Mon

LAUSANNE Musée d'Art Contemporain Discovering the Collections of French-speaking Switzerland: after two years of exhibiting art imported from all over the world, the museum now turns to the rich private collections on its doorstep, focusing on important works of the past 30 years - many of which have never been seen in public before. Among the movements represented are Arte Povera, contemporary Russian art rarely seen in the West, Pop art, Transavanguardia and Minimalism. There are examples of work by Georg Baselitz, Anselm Kiefer, Ed Paschke, Cy Twombly and many others. Ends June 27. Daily Fondation de l'Hermitage Diaghilev and the Ballets Russes: 60 drawings by Michel Larionov and Nathalie Goncharova evoking the legendary troupe which was based in Lausanne in 1915. Ends May 23. Closed Mon

LEIPZIG Museum der bildenden Künste Aspects of Modernism in Europe after 1945: 140 works from worldwide collections, with Beuys, Trocchi, Tapes, Dubuffet and Folke among the 70 artists represented. Ends May 31. Closed Mon

MUNICH Kunsthalle der Hypo-Kulturstiftung Picasso: After Guernica. Ends June 6. Daily Neue Pinakothek Victorian Painting on loan from British collections. May 2. Closed Mon Staatliche Antikensammlung Joseph Beuys and Antiquity. Ends May 8. Closed Mon Staatliche Museum Munich Goldsmiths. Ends May 23. Closed Mon

NANCY Musée des Beaux-Arts The Return of Grandville: more than 100 works by the early 19th century Nancy-born artist J.J.I. Grandville, whose drawings provide an elegant and detailed portrait of nature and social injustice. Ends July. Closed Tues

NEW YORK Brooklyn Museum Manet to Picasso: 35 rarely seen works on paper, created between 1870 and 1940. Ends May 23. Closed Mon and Tues Guggenheim Museum Picasso and the Age of Iron. Ends May 16. The main museum is closed on Thurs, the SoHo site on Tues

Museums of Modern Art John Heartfield, inventor of photomontage. Ends July 6. Also Max Ernst: Dada and early Surrealism 1912-27. Ends May 2. Drawings of Joseph Beuys. Ends May 4. Closed Wed Metropolitan Museum of Art The Greek Miracle: classical sculpture from 5th century BC. Ends May 23. Also The Haverfey Collection: 400 works ranging from French Impressionists and old masters to Asian art and Islamic pottery. Ends June 20. Closed Mon Whitney Museum of American Art 1993 Biennial. Ends June 13. Closed Mon

PARIS Centre Georges Pompidou

Matisse 1904-17. Ends June 21. Closed Tues Grand Palais The Century of Titian. Ends June 14. Also Aménophis III. Ends May 31. Closed Tues, late opening Wed (ave du Général Eisenhower)

Musée d'Orsay 1893: The Europe of Painters. Ends May 23. Closed Mon, late opening Thurs (qual Anatole France) Musée Picasso Picasso and the bulls: paintings, drawings, sculptures and ceramics on the theme of bull-fighting, showing its life-long importance in Picasso's imagination and inspiration. Ends June 28. Closed Tues

Petit Palais The Splendour of Russia: a thousand years of goldsmiths' work. Ends July 18. Closed Mon Galerie Gerald Piltzer Chagall: 40 works. Ends May 8. Closed Sun (78 ave des Champs-Élysées)

STUTTGART Galerie der Stadt Munch and his Models: 100 works illustrating how the Norwegian Expressionist penetrated the inner psychology of his subjects. Ends Aug 1. Closed Mon TUBINGEN Kunsthalle Cézanne: 100 paintings from worldwide collections. Ends May 2. Closed Mon Stadtmuseum Kornhaus The Art of Arctic Hunters: little-known Siberian art from ancient times. Ends May 23. Closed Mon

VIENNA Kunsthistorisches Museum From Bruegel to Rubens, the golden century of Flemish painting: 150 paintings and 200 drawings and graphics from the period 1550-1660. Ends June 20.

Kunstforum Vienna Biedermeier. Ends June 27. Daily Historisches Museum Ferdinand Georg Waldmüller: 40 oil paintings by leading exponent of early 19th century Viennese Biedermeier. Ends May 30. Closed Mon

WASHINGTON National Portrait Gallery American Art at the 1893 World Fair: 100 paintings and sculptures displayed at the Chicago exhibition 100 years ago which helped redefine American attitudes towards the arts. Ends Aug 14. Daily

National Museum of American Art Masterworks of American Art Forum Collections 1875-1935: 64 works by Albert Bierstadt, Childé Hassam, John Singer Sargent, Edward Hopper and others. Ends July 5. Daily

National Gallery of Art Helen Frankenthaler (b1928): more than 75 prints and related drawings by the American artist who is credited with playing a pivotal role in the transition from abstract expressionism to colour field painting. Ends Sep 6. Also William Harnett, 19th century American still-life painter. Ends June 13. Old master and modern drawings from 16th to 20th centuries. Ends Aug 15. Daily

Textile Museum Faith Ringgold: 17 works by the Harlem-born artist, showing the influence of traditional African and Asian textiles in her politically-charged story quilts, soft sculpture and painted cloth hangings. Ends Sep 19. Also Saitō Sarapies: 42 woven wearing blankets from north Mexico dating from the 18th and 19th centuries. Ends Aug 8. Daily

East Berlin is struggling to rebuild itself. Disputes over property rights, bureaucracy and complex planning regulations are presenting developers with a frustrating obstacle course. Their difficulties threaten to prolong the division between the two halves of the country's new capital and demonstrate the problems of urban renewal facing eastern Germany.

In parts of the Mitte - the traditional city centre - there are pockets of activity. Contractors are tearing up the streets, and renovating the transport and water systems, and housing stock. Some international property developers, such as the Tishmann Spier of the US, are building new office and shopping complexes.

But for most areas the building boom expected by contractors after the collapse of the Berlin wall in November 1989 has been slow to spark. A sense of dereliction hangs over much of the former Prussian capital.

Mr Mark Palmer, a former US ambassador to Hungary and now a property developer, says he had little idea about the problems he would face when he arrived in the city after the wall came down.

Mr Palmer, backed by Ronald Lauder, the cosmetics magnate, plans to develop a 20,000 square-metre American Business Centre alongside Checkpoint Charlie. In 1990, he started to buy 48 plots of land, some from the city council, others from the Treuhänder, the agency responsible for privatising eastern German industry, and the rest from private owners.

"We soon discovered that many people were claiming rights over the property," said Mr Palmer. His staff spent hours in the Berlin land registry tracing the original owners of the land. In one case, 314 heirs were claiming a 600 square-metre plot of land. Mr Palmer said he paid former property owners the market value, which between 1990 and 1993 rose as high as DM20,000 (£3,130) a square metre - the highest in Germany.

In another case, finally resolved earlier this month, Mrs Hilde Frank, an elderly Jewish lady living in New York, wanted to reclaim her small plot of land, rather than seek compensation from Mr Palmer. Under the terms of 1991 legislation on compensation and restitution, investors in eastern Germany have priority over restitution from former property owners if they

Quiet on the eastern front

Obstacles facing developers could keep Berlin a divided city, says Judy Dempsey



The Berlin wall has crumbled but there are few new structures

can prove they are providing jobs and housing.

But that law was amended in 1992, enabling former Jewish owners the right to restitution. Mr Palmer had bought the disputed plot from the city council, before the law was changed. Mrs Frank wanted the 1992 version of the law applied so that she could get her property back. Both sides eventually settled out of court. It has taken Mr Palmer almost three years to resolve all the outstanding property claims. He hopes to start building the DM1bn office complex in September.

"There's one thing we learned about doing business here. You cannot go in blind. You must be prepared to deal with property rights. It takes time. But it can be done," said Mr Palmer. There are already over 119,000 pending property claims in east Berlin.

It is not only the question of property rights which has delayed the development of east Berlin. Mr Rainer Wagner, the manager of Sony, the Japanese electronics company, says the bureaucracy of planning can be "a nightmare".

In 1991, Sony bought 31,000 square-metres of land in Potsdamer Platz for DM101m, intending to use the site for its new European headquarters.

"When we bought the land, we didn't know that the city of

Berlin was going to develop around our site. This involves building a street tunnel on the western side, and a huge underground railway station on the eastern side of Potsdamer Platz. We had to revise our plans several times so that they fitted into these changes," says Mr Wagner.

Other property developers say Berlin's divided coalition government presents particular difficulties. "The Christian Democrats and Socialists can't make up their minds if they will allow high rise buildings. They keep changing their minds about what buildings should be torn down in eastern Berlin. Sometimes I feel they are overwhelmed by the task of uniting the city," says one French planner.

Some politicians have tried to make it easier for developers. "Mr Wolfgang Nagel, head of the planning department, is committed to making Berlin open for investors and developers. But really, very little can be done in this city without connections, money, and a big name," said Mr Wagner. "You also have to remember that many of the planning experts in the government moved to the private sector after 1989, so you are dealing with inexperienced officials."

The problems of settling property rights' claims and obtaining planning permission

means that developers must take a long-term view. "You don't come to Berlin and develop with the fast buck in mind. This is a long haul. The Japanese are here because they believe that Berlin, in the future, will be a very important city in the heart of Europe. There's going to be a need for high-quality office space," explained Mr Wagner. Berlin has only 3 square-metres of office space per capita, compared with Frankfurt's 12, and Düsseldorf's six.

"Berlin is underdeveloped. There was no need to think about an office infrastructure before 1989," said Mr Palmer. The need for office space is likely to increase, following the decision by the federal government to move Germany's ministries from Bonn to Berlin.

No date has been set for the move, which is expected to take several years, but President Richard von Weizsäcker has said he will move his official residence permanently to the new German capital by the end of 1993.

Property developers, however, do not believe the move by the government will push prices much higher than their present levels. "The euphoria of late 1989 has gone; the rush to buy property at any price has subsided," said Mr Julian Rudd-Jones, a planner for Stanhope, the British developer. "The price of land has stabilised," he said.

But the price has stabilised at a very high level - between DM10,000 and DM15,000 a square metre - and construction costs can be prohibitive. East German labourers demand the same wages as their western counterparts and there is a shortage of skilled workers. "This is an expensive city. Construction costs are 40 per cent higher than Hamburg. Hamburg used to be the highest in Germany," said Mr Palmer.

Financial pressures have combined with the problems of planning and regulation to create a mood of anxiety among developers. They are urging the Bundesbank to cut interest rates further to ease some of the pressure while they try to complete their projects.

"To tell you the truth, our money is not working for us. The banks might get nervous if we don't start building soon and fill these empty spaces with tenants. That's why the Sony and Palmer projects are so important. They will send a signal to other developers that Berlin is finally on the move," says one developer.

Clinton calls the shots



President Bill Clinton is ducking and weaving, but today or tomorrow or early next week he should make a decision on Bosnia. By Monday the Russian referendum will be out of the way. The west can then stop holding its breath and walking on tiptoe. Next Friday will be Mr Clinton's 100th day in office. The anticipation in London is that the president will have declared himself by then.

That is the timetable to which the foreign secretary, Mr Douglas Hurd, is working. I gather from Washington that, yes, there is a discernible sense of urgency over there, but it is partly TV-driven. A few more days of relative calm in Srebrenica may lead some in the US administration to believe that they can postpone the dreadful day on which the president must make a choice. Let us wait, they may say, to see the full effect of the strengthened UN sanctions, which start on Monday. Further horror pictures on prime-time news would speed the decision-making process.

Either way, Mr Clinton must eventually point the way. When he does politicians on this side of the water may squeak and squeal and shake their heads, but they will go along with what he proposes. If you listened carefully this week you could hear the British government preparing itself for an accommodation with the White House, even if, as it expects and fears, Mr Clinton proposes a high-risk strategy to contain the Serbs. The evidence was there in the foreign secretary's words in the House of Commons on Monday. What he seemed to be saying was that the government was against bombing Ser-

bian supply lines and opposed to arming the Bosnian Muslims. What he was actually telling us was that if the Americans insisted on arming or bombing, or both, Britain would acquiesce.

Look at the small print. "We cannot rule out anything as the situation develops," said Mr Hurd, referring to "other options" in his remarks. Reminded by Mr Jim Marshall, the Labour member for Leicester South, that the arms embargo plays into the hands of the Serbs, the foreign secretary replied: "The logic of what the honourable gentleman says obviously has a very wide appeal, particularly in the US. We may have to consider this, and I am not ruling it out in certain forms."

It so happens that the British secretary for defence, Mr Malcolm Rifkind, has been in Washington this week, partly to attend the ceremonial opening of the Holocaust Memorial Museum, and partly to lobby the US defence secretary, Mr Les Aspin. The coincidence of the two purposes of his visit is, in present circumstances, thought-provoking. Mr Rifkind has doubtless been rehearsing Mr Hurd's arguments against any military escalation of the conflict. He will have had a sympathetic audience from Mr Aspin, who is of the generation that was permanently scarred by the Vietnam war. All the accounts reaching London suggest that the Pentagon is deeply reluctant to support any course, even high-tech bombing, that might lead to an increasing involvement of American forces in the unpromising terrain of Bosnia.

Clinton must point the way. When he does politicians on this side of the water will go along with what he proposes

Against that Mr Aspin served 11 consecutive terms in the House of Representatives, becoming chairman of the armed services committee in 1986. He is credited with the most sensitive political antennae of all the administration's officials concerned with defence and foreign policy. If, therefore, Mr Clinton, the untired young ex-governor of Arkansas, finds it difficult to persuade his generals of the logic of air strikes, then he will be advised by Mr Aspin as to how to handle Congress.

As the British government sees it, that points one way: to the removal of the arms embargo. You will realise how the foreign office arrives at this view if you cross off the remaining possibilities. The first, sticking resolutely to humanitarian aid while tightening sanctions against Serbia, is the preferred choice in London. But it is thought here that this will be

insufficient to deflect congressional and media pressure to "do something". This is understandable. Contrary to popular mythology, sanctions can work, as they did, along with other forces, against apartheid. The process is, however, extremely slow.

Well then, say some, send Nato troops to keep the peace in the hills. Mr Paddy Ashdown, the leader of Britain's Liberal Democrats, substitutes "UN" for "Nato", but the strategy is the same. It is a perfectly logical response to Serbian expansionism. It has one overriding flaw. It appears to have been ruled out by the British, French and US governments. It is therefore not an immediate proposition. We are ineluctably back to

lifting the embargo. The way British ministers see it, this would be the worst choice of all, more damaging than selective air strikes. But are the two proposals mutually exclusive? The diplomatic professionals believe that a proposal to sell arms to the Bosnian Muslims alone would be vetoed by Russia, even after a Yeltsin victory. The entire embargo would have to go.

The consequences would be dramatic. The remnants of the Vance-Owen peace plan would be swept away. The UN humanitarian forces would have to be withdrawn. An arms bazaar would open up in the Balkans. At the same time, it is being argued in the US, the Serbs would wish to launch an all-out assault on Moslem towns during the interval between the proposal of an embargo-lifting resolution in the Security Council and the actual arrival of weaponry in Bosnia. The only way to stop them from doing that would be to accompany the arms sales resolution with a threat of air strikes against any Serbian forces that moved.

It is hardly surprising that the conventional wisdom in Washington is that there are "no good options". That is a given. It is, however, the task of our political leaders to base their decisions upon some foundation of principle. Let us take the easiest one to sell: self-interest. It is surely in the self-interest of both Europe and the US that the Serbs be prevented from establishing a precedent. If they can redraw boundaries and remove whole peoples, why should the Hungarians not pursue their dreams of a greater Hungary? Why should Russia accept the rule of ethnic Russians by the non-Russians who govern its many neighbouring states? Letting the Serbs rampage over Bosnia is the least good of all the options.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Group 4 confident of courts service

From Mr M J Hirst.

Sir, I read with interest your leader "Prison Leaks" (April 21) which clearly outlines the complexities of the contract awarded to Group 4 to pioneer the first private court services operation of its kind in the world.

I would like to clarify, however, the escapes to which you refer in the first paragraph. Over the 16 court sitting days that Group 4 has been providing the service there have been four court room escapes directly attributable to it, including one during which a custody officer was assaulted and the clerk of the court later commented: "The Group 4 officers acted in a proper manner and could not be faulted for the defendant escaping."

The vehicles from which there were two escapes have been officially acknowledged as being of faulty Home Office design brief and specification. Modifications have been made. In addition, a prisoner was released from Mansfield Magistrates Court as it was not made

known at the time that he was required to appear in another court there to answer a different charge. The clerk to the court has written to Group 4 clarifying the procedural error and clearing the company of any blame.

A further incident was reported on April 10 regarding our staff's releasing a prisoner on theft charges. He was correctly released as he was bailed subject to regular appearances at the police station.

I am confident, however, that our systems and procedures, which are all agreed and monitored by the Home Office, are fundamentally sound and our staff are properly trained to do the job. If all agencies (police, courts and prison service) within the contract meet their requirements, we can continue to improve the service that we are providing. M J Hirst, director of Group 4 Court Services, Farncombe House, Broadway, Worcs WR12 7LJ

A measure to undermine Acas

From Mr John Sheldon.

Sir, Anatole France, the French writer, observed that: "The law in its majestic equality, forbids the rich, as well as the poor, to sleep under bridges, to beg in the streets and to steal bread." Apparently, the present government believes this to be a sound principle and wishes to extend it.

Having already begun the process of denying people access to the courts by the curtailment of availability of legal aid, it seems ("Acas angry over plan to make users pay for services", April 21) that ministers

now wish to restrict access to the services provided to workers by Acas, the arbitration and conciliation service, in the industrial area as well.

Not content with abolishing Acas's statutory duty to promote collective bargaining, this spiteful, penny-pinching measure will serve only to undermine the very existence of Acas - or is that what the government wants? John Sheldon, general secretary, National Union of Civil and Public Servants, 124-130 Southwark Street, London SE1 0TU

Rail needs subsidy to compete

From Prof Ronald Dore.

Sir, Perhaps Mr Gill (Letters, April 20) does not leave his ivory car very often to travel by rail. Surely he knows that no railway can compete with road without subsidy from taxpayers - not even in Japan with its amazing population densities. The amount of subsidy/debt depends in part on political judgment of the externalities, of the social benefits a

decent rail service provides, and not just on efficiency. If you want measures of the latter, how do British Rail and German Rail stack up on, say, passenger miles per worker hour, investment as a proportion of turnover, average vintage of rolling stock, proportion of trains on time? Ronald Dore, Imperial Hotel, Tokyo

City's latest tourist attraction

From D K Patel.

Sir, There are hardly any modern attractions for tourists in the City of London, so the new Attali Tower should be welcomed as such. With an

entrance fee of £5, it could recover a bit of its cost. D K Patel, 12/F Borrett Mansion, 8A Bowen Road, Hong Kong

Top pay awards reflect a system in need of change - and a rising workload

From Mr Donald B Butcher.

Sir, Your leader, "Over-the-top pay" (April 20) is right to pin most of the blame on non-executive directors for over-the-top pay awards to directors. Despite many of your own leaders on the same theme over the past few years, criticisms from the prime minister, the Archbishop of Canterbury, governor of the Bank of England, director-general of the Institute of Directors, the Cadbury Report and now the Institute of Management, the gravity train continues.

Unfortunately, Lucy Kellaway ("Facts show fat cats are fatter", April 20) perpetuates the myth that questions from shareholders will cause "embarrassment" to such as the directors of Premier Consolidated Oilfields who have just managed a 50 per cent hike. It won't. If the recipients of the questions were thin-skinned enough to suffer embarrassment, they shouldn't be doing the jobs in any case.

You suggest the Cadbury Committee was right in arguing that the chief discipline must be openness. That is not working now and is unlikely to work in the foreseeable future.

Answers at AGMs by the chairmen of remuneration committees will not change things either. Shareholders receive one standard answer to their questions - "we have to pay the directors". Which is mostly nonsense because most of them have worked for their companies for years and just do not have a meaningful international market price.

Change could come when, and only when, directors' remuneration is made subject to resolutions at AGMs. If shareholders then vote for the pay award, everyone can stop complaining. It is even possible that responsible directors might actually welcome a change which would add legitimacy to their pay awards via explicit shareholder approval. Cadbury considered this but turned it down because his committee couldn't work out what would happen if shareholders were so bold as to vote down such a resolution! Donald B Butcher, United Kingdom Shareholders' Association, 12 Burgh Heath Road, Epsom, Surrey KT17 4LJ

From Mr J R Anderson.

Sir, Your suggestion that the institutions should take a more active role in questioning the increases in directors' salaries is praiseworthy but unlikely to be fruitful. The essential prob-

lem is the incestuous nature of the system. A sits on B's remuneration committee, B sits on C's, and C sits on A's is a simplified, but reasonably accurate, description of the way in which it works. And, of course, the boards of the institutions are themselves part of this game of "pass the parcel".

The rules of the club are well understood:

- All downwaves are the fault of government's mismanagement of the economy.
- Upwaves are, by contrast, solely attributable to the acumen of the directors.
- Any director who, by his incompetence, reduces a company to its knees is entitled to walk away from the disaster carrying a large bag of gold.
- Any shareholder querying the amount of an increase in remuneration must be told that it is essential if the director is not to take his talents overseas.
- The fact that during the long years of punitive taxation there was not the slightest evidence that overseas companies had any interest in securing the services of UK executives is to be dismissed as irrelevant.

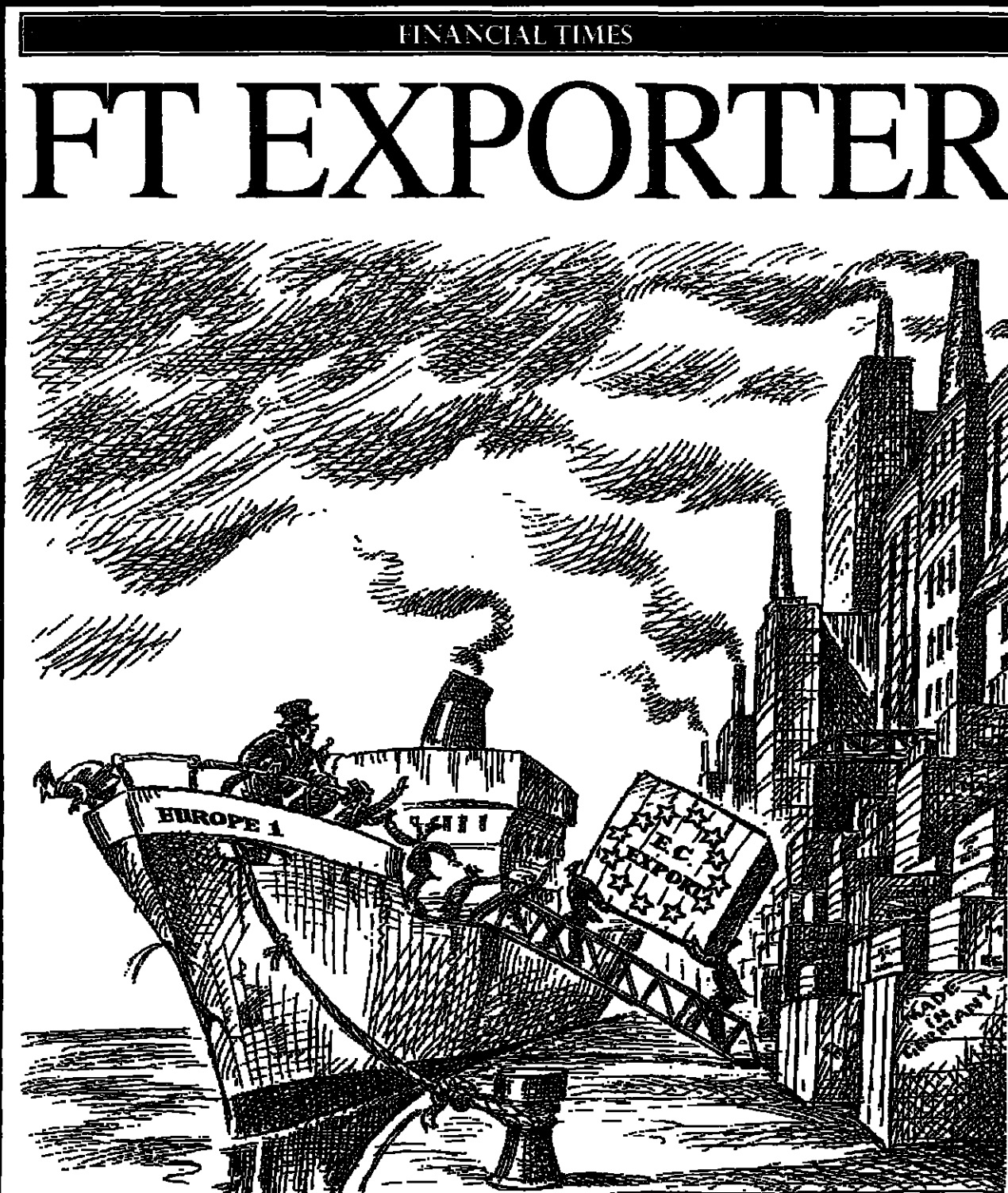
J R Anderson, 4 Vardon Drive, Wiltshire SK9 2AQ

From Mr Colin Coulson-Thomas.

Sir, Your editorial (April 20) suggests that directors' pay is "over the top", while Lucy Kellaway refers to "allegations of directors' greed". The evidence cited is a survey finding that directors' remuneration has increased during a period of recession.

As well as causing a widespread fall in profitability, the economic recession has subjected many directors and boards to considerable pressures. Directors have onerous duties and responsibilities, and when corporate survival is at stake these come to the fore. I know many directors who have faced greater challenges over the past three years than at any time in their directorial careers.

The tough choices that result from a difficult trading environment invariably end up in the boardroom. I would expect the demands upon directors, and their workloads, to increase at a time of economic adversity, and I suspect the remuneration of many directors reflects this. Colin Coulson-Thomas, Rathgar House, 337 Baring Road, Grove Park, London SE12 0BE



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INTERNATIONAL COMPANIES AND FINANCE

Leading Spanish banks keep their place at the top

By Tom Burns in Madrid

BANCO SANTANDER and Banco Popular, the two pace-making Spanish banks, yesterday released first-quarter results that maintained their positions at the top of the domestic profits table.

Santander raised its quarterly profit to Ptas22.3bn (\$191m), an increase of 8.1 per cent on the first quarter of 1992, and Popular posted a post-tax income of Ptas13.7bn, 6.1 per cent up on last year.

Both banks reported a very positive operating profit performance that was ahead of most

forecasts. Santander declared Ptas33.5bn, an increase of 15.5 per cent on the first quarter of last year, and Popular raised its operating income by 16.5 per cent to Ptas31bn.

Mr Emilio Botín, Santander chairman, said the results had been due to the bank's growing international business. He said the domestic market was "in a difficult situation because of the economic recession".

The bank has an extensive network in Latin America, where it has built up its corporate banking activities in Mexico, Chile and Venezuela, and is the main shareholder of

the US bank First Fidelity.

Popular's balance sheet reflected the reduction of cash coefficient requirements under new Bank of Spain guidelines, as well as the bank's proven moderation over credits and its austere control of costs.

Endesa, Spain's partially-private electricity group, is to pay Ptas27bn for a stake of approximately 2 per cent in Germany's RWE utility. The move follows an agreement between the two companies last year that allows either company to take up to 10 per cent of the other's equity.

Roche sales maintain rate of growth

By Ian Rodger in Zurich

ROCHE, the Swiss pharmaceuticals and fine chemicals group, said sales in the first quarter were up 7 per cent to SFr3.5bn (\$2.39bn), almost in line with the growth level in the second half of last year.

Mr Fritz Gerber, chairman, said the result indicated that "barring exceptional developments, 1993 will be another successful year for the group".

Speaking at the group's annual press conference in Basel, Mr Gerber said Roche's 29 per cent rise in net income last year to SFr1.9bn was helped by improved control of operating costs, which rose only 8.7 per cent.

Income from the group's SFr12.1bn liquid assets soared 51 per cent last year to SFr1.5bn. Net financial income was SFr660m, accounting for a little over one-third of total net income.

Roche does not yet provide a sectoral breakdown of profits, but officials indicated that the diagnostics division, which has been a chronic loss-maker, broke even, and the vitamins and fine chemicals division improved its performance.

Mr Gerber said German healthcare reforms had caused a 20 per cent slump in the country's pharmaceutical market in the first quarter, but said Roche's share of that market fell only 10 per cent.

In the first quarter of this year, pharmaceutical sales rose 10 per cent to SFr1.9bn while sales of the vitamins and fine chemicals division gained only 3 per cent to SFr795m. Diagnostic sales were up 7 per cent to SFr418m and fragrances and flavours sales up 2 per cent to SFr372m.

Swiss Bank Corporation, Switzerland's second-largest bank, said it had a "thoroughly pleasing result" in the first quarter.

"The results of both the parent and the group were substantially above the previous year's pre-tax result," it said. No figures were given.

Trelleborg shares tumble sharply

By Hugh Carnegie in Stockholm

SHARES in Trelleborg, the Swedish mining and industrial group, fell sharply yesterday for the second day in succession as investors reacted to reports, strongly denied by the company, that it was facing acute financial difficulties.

Trelleborg "B" stock, the most traded shares, fell by SKr4 over the day to close at SKr40.50, having at one point dipped to SKr37.50. The shares have lost more than 12 per cent of their value since Tuesday, when the B stock closed at SKr46.50.

Trelleborg issued a strongly-worded denial of a front-page story in yesterday's Svenska

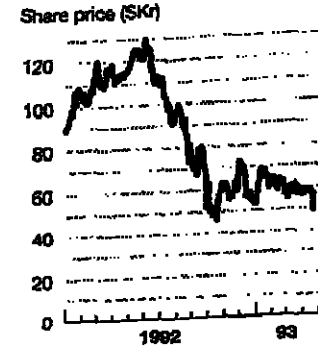
Dagbladet newspaper which alleged that its bankers, including its bankers, Enskilda Banken, over its debts following problems meeting its interest payments.

The company, which is struggling to recover from heavy losses in 1992, described the report, and similar rumours in the stock market, as a lie. "We have not been in any discussions with our banks about our loans or their terms," a spokesman said.

Trelleborg was hit hard last year by recession in its domestic and international markets, falling metal prices and a foreign currency loss of SKr765m as a result of the devaluation of the Swedish krona. It

Trelleborg

Share price (\$/K)



Scrapped its 1992 dividend after reporting a SKr1.6bn (\$215m) loss after financial items. Yesterday, it blamed specu-

lators for manipulating its stock price to make gains on options due for redemption in June. It said it had several times been the victim of similar speculative dips in its share price in recent months. In February, it had exhausted its capital to speculation that Mr Kjell Nilsson, chief executive, was ill.

But analysts said investors were not convinced that the latest reports were baseless and were worried that Trelleborg had cash-flow problems that were prompting concern by the banks. One said Trelleborg shares were not yet on a crisis valuation. "If there really is a problem, there is more downside to come," said one.

Z-Länderbank returns Sch508m

By Ian Rodger

Z-LÄNDERBANK Bank Austria eked out a net income of Sch508m (\$46m) last year, but only after extraordinary gains on asset sales covered bad debt provisions of Sch63bn.

However, in its first full year of operations since the merger of the Zentralsparkasse group of Viennese savings banks and Österreichische Länderbank in the autumn of 1991, Austria's largest bank made considerable progress towards cutting costs and improving margins.

Net interest income rose 3.5 per cent to Sch10.9bn, as the bank benefited from falling interest rates and, later in the year, greater spreads. Commissions were up 9.3 per cent to Sch2.6bn.

Operating profit was up 1.2 per cent to Sch3.4bn and bank officials indicated that nearly half came in the fourth quarter.

Total assets grew 5.8 per cent to Sch544.9bn. Capital rose 9.2 per cent to Sch27.8bn, providing a BIS ratio of 9.3 per cent. The directors are recommending that the dividend for

1992 be cut from 14 per cent to 10 per cent.

Creditanstalt Bankverein, Austria's second-largest bank, said its pre-tax profit surged 46 per cent in the first quarter to Sch1.15bn, due mainly to booming securities trading.

The bank said its partial operating profit, comprising net interest and fee income less operating expenses, was 29 per cent higher than the depressed figure in the comparative period. Interest income was up 5.6 per cent to Sch2.1bn and fee income gained 7.4 per cent to Sch665m.

Esab setback blamed on sales

ESAB, the world's leading welding equipment producer, yesterday blamed lower sales in Europe and Brazil for a sharply lower first-quarter profit and said its result for the full year would be worse than in 1992, writes Christopher Brown-Humes in Stockholm.

Income after financial items in the first three months amounted to SKr7m (\$0.9m), against SKr34m in the same period in 1992, as sales dropped to SKr1.61bn from SKr1.65bn. The biggest downturn was in its important German market.

Shareholders force three Alexon executives to quit

By Roland Rudd in London

THREE of Alexon Group's biggest institutional shareholders yesterday secured the removal of the chairman and chief operating officers at the womenswear retailer.

Mr Lawrence Snyder stepped down as chairman and Mr Ruth Henderson and Mr Peter Ridsdale resigned as joint chief operating officers. The shares rose 6p to 89p. The three executives were confronted with the demand for their resignation 48-hours earlier.

Mr John Sadler, a former

finance director of the John Lewis Partnership was appointed non-executive chairman and Mr John Osborn, a former director of Sears, took over as chief executive.

Gartmore Pension Fund Managers, Scottish Amicable Investment Managers and Mercury Asset Management took the unusual step of forcing a change of management after last month's dismal results.

Alexon lost nearly £1m before tax last year and passed its final dividend. It had made an £11.3m profit in the previous year.

Tandem's earnings below expectations

By Louise Kehoe in San Francisco

TANDEM Computers reported an increase in second-quarter earnings but failed to live up to Wall Street expectations.

The US manufacturer of fault-tolerant mainframe computers said that although sales picked up in the US, revenues continued to decline in Europe.

Net income for the quarter was \$11.1m, or 10 cents per share, compared with \$8.8m, or 8 cents, in the same period

last year. Revenues rose to \$517.6m from \$502.9m a year ago.

Although we anticipated a weak quarter, the computer business exceeded its profit goals, but our Ungermann-Bass networking subsidiary fell below its revenue, margin, and profit targets," said Mr James Treibig, president and chief executive.

"For the seventh consecutive quarter, business in the US posted year-over-year revenue growth, gaining 13 per cent

over the same quarter of the prior year," Mr Treibig noted.

"Non-European international revenues showed modest growth. Although some countries in Europe achieved revenue gains, revenues from the European division declined."

Tandem is one of many computer companies that is making a transition from proprietary technology to open systems based on industry standards.

The company is also developing lower-priced, server prod-

ucts based on the latest Risc technology.

For the first six months of fiscal 1993, revenues were \$1m and net income \$28.6m or 25 cents a share, including a \$12.4m, or 11 cents-per-share gain from a tax accounting change.

In the first half of fiscal 1992 Tandem posted revenues of \$97.4m and a net loss of \$85.8m, or 79 cents, after a \$68m pre-tax restructuring charge taken in the first quarter.

Distributor takes lead in bid for drugs wholesaler

By Paul Abrahams

COOPERATION Pharmaceutique Française, a small French independent drugs distributor, has emerged as leader in a consortium to make a counter-bid for Office Commercial Pharmaceutique, France's largest drugs wholesaler.

OCF is subject to a FF2.12bn (\$391m) friendly takeover from Gehe, the German distributor. CFF, with a turnover last year of FF2.2bn, has concluded an agreement with the Bourly family, which owns 15 per cent of OCF.

Under the agreement, the family can sell its shares in

OCF and will not participate in the consortium. If the CFF bid is successful, the family will not sell its shares for two years and can nominate a member of a three-man board.

One director will be appointed by CFF and the third will be chosen jointly by the Bourly family and CFF. At the end of two years CFF will buy the Bourly shares.

CFF's advisers, Crédit Commercial de France and Banque de l'Union Européenne, believe the company will be able to assemble the necessary capital to make the counter-offer by the deadline of May 5.

Crédit Agricole beats trend with 6% profits rise

By David Buchan

CREDIT AGRICOLE, the French farmers' co-operative bank, defied the trend of its competitors by yesterday announcing a 6 per cent increase in net profit to FF5.2bn (\$859m) last year.

With FF1.560bn deposits, or 20 per cent of the total in France at the end of last year, Crédit Agricole confirmed its leading position.

Increased profits came from an 8.3 per cent rise in net banking income and only a 4.2 per cent rise in general costs.

Crédit Agricole is still the provider of 80 per cent of all

bank loans to France's farmers.

Roussel-Uclaf, the French pharmaceutical group controlled by Hoechst of Germany, has reported pre-tax profits of FF357m, up from FF123m for the first three months to 31 March, writes Paul Abrahams in London.

The results were achieved on turnover of FF3.992bn against FF3.806bn for the same period last year. Cash-flow increased from FF264m to FF288m.

Rhône-Poulenc, France's largest chemicals group, is understood to be considering selling its 35 per cent stake in Roussel-Uclaf to Hoechst.

ANNUAL RESULTS 1992 Bank Austria

Total assets AS 544.9bn (US\$45bn); total market capitalisation AS 59.6bn (US\$5.3bn)

Partial operating profits up 2.9%; overall operating profits up 1.2%

Interest margins still under pressure; but an improving trend was experienced in the second half of the year

Merger implementation on schedule

Financial Highlights for the year ended 31st December			
	1992	1991	% change
	in AS billion		
Partial operating profit	2.12	2.06	+2.9
Gross operating profit	3.41	3.37	+1.2
Dividend	10%	14%	-
Primary funds	322.2	308.9	+4.3
Total assets	544.9	514.9	+5.8

US\$ mean rate of exchange on December 31st 1992: 13.76 S.

Copies of the full results announcement and/or annual reports may be obtained from Bank Austria Publications Department, Am Hof 2, A-1010 Vienna. Telephone: (1) 53124-3117.

Dresdner Finance B.V. Amsterdam

U.S. \$ 400,000,000 Floating Rate Notes 1993/1993 with Warrants

The Rate of interest applicable to the Interest Period from April 23, 1993 to October 24, 1993, inclusive, was determined by Morgan Guaranty Trust Company of New York, London, as Reference Agent to be 5.25 per cent per annum. Therefore, interest per Note of U.S. \$ 10,000 principal amount is due on October 25, 1993, the relevant Interest Payment Date, in the amount of U.S. \$ 268.75.

Dresdner Bank Aktiengesellschaft Principal Paying Agent Frankfurt am Main, April 1993

MITSUBISHI CAPITAL INC

US\$ 9,000,000 GUARANTEED DUAL BASIS BONDS DUE 2000 (B BONDS)

In accordance with the provisions of the Bonds, notice is hereby given as follows:

- Interest period: April 22, 1993 to July 22, 1993
- Interest payment date: July 22, 1993
- Interest rate: 3.85% (margin included)
- Coupon amount: US\$ 2,432.99 per note of US\$ 250,000

BANK INTERNATIONALE A LUXEMBOURG

U.S. \$400,000,000 National Westminster Finance B.V.

(Incorporated in The Netherlands with limited liability)

Guaranteed Floating Rate Capital Notes 2005

In accordance with the provisions of the Notes, notice is hereby given that for the six months Interest Period from April 23, 1993 to October 25, 1993 the Notes will carry an Interest Rate of 3.8% per annum. The interest payable on the relevant interest payment date, October 25, 1993 against Coupon No. 17 will be U.S. \$173.44.

By: The Chase Manhattan Bank, N.A. London, Agent Bank April 28, 1993

SUN LIFE GLOBAL PORTFOLIO (SICAV)

Registered Office: 14, Rue d'Athènes, Luxembourg.

DIVIDEND ANNOUNCEMENT

The Board of Directors announces that a dividend has been declared on each of the below mentioned Periods at the rate per share shown which will be paid on 31st May 1993 to the registered shareholders of record of these Periods as at the close of business on 31st March 1993.

9.5 cents (U.S.) per share for Global Bond Portfolio

40 pf (German DM) per share for DM Bond Portfolio

1.50 pf (U.S.) per share for Haven Portfolio

The Board of Directors 31st March 1993

CHEMICAL BANKING CORPORATION

US\$100,000,000 SUBORDINATED FLOATING RATE NOTES DUE 2005

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from 22 April 1993 to 22 October 1993 the Notes carry an interest rate of 5.00% per annum.

The interest payable on the relevant interest payment date, 22 October 1993 against coupon no 1 will be US\$270.88 per US\$ 10,000 note and US\$2,708.88 per US\$ 100,000 note.

Market Myths and Duff Forecasts for 1993

The US dollar will move higher, precious metals have been demonized, Japanese equities are not in a new bull trend. You don't need to read in *FullerMoney* - the (economic) investment letter. Call Jane Forquharson for a sample issue (free only) tel: London 71 - 439 2901 (071 in UK) or Fax: 71 - 439 4966

FLANDERS

The FT proposes to publish this survey on May 4 1993 For a full editorial synopsis and a advertisement details, please contact:

Meyrick Symmonds Financial Times (Benelux) Ltd Rue Ducale 39, Hertogstraat B-1000 Brussels, Belgium Tel: (02) 523 2816 Fax: (02) 511 0472 or Rachel Hart Tel: 071-873 3225 or write to her at: Number One, Southwark Bridge, London SE1 9HL.

FT SURVEYS

CANON INC YEN 30,000,000,000 FLOATING RATE NOTES DUE 1996

INTEREST RATE 3.45% pa

INTEREST PERIOD FROM 2nd April, 1993 TO 2nd July, 1993

INTEREST PAYABLE PER YEN 1,000,000 NOTE YEN 8,721.

BY FUJI BANK (LUXEMBOURG) S.A. AGENT BANK

NOTICE

BELL LAWRIE WHITE & CO LTD BREWIN DOLPHIN BELL LAWRIE LTD

Bell Lawrie White & Co Ltd (BLW) gives notice that as of the close of business on 8 April 1993 the client monies held by it in its general client bank accounts were transferred to similarly designated bank accounts of Brewin Dolphin Bell Lawrie Ltd (BDBL) as a result of BLW transferring its business to BDBL. Execution and settlement of deals for clients continue as normal. As has always been the case, clients can withdraw their money on demand.

Brewin Dolphin Bell Lawrie Ltd is a member of The Securities and Futures Authority Limited (SFA) and the London Stock Exchange.

23 April 1993

Bell Lawrie White & Co Ltd 7 Drumshugh Gardens Edinburgh EH3 7QH

Up to £130,000,000 Hafnia Holdings (UK) Limited

Floating Rate Notes due 2000: 255,000,000 of which are being issued as the Initial Tranche.

For the period from April 21, 1993 to July 21, 1993 the Notes will carry an interest rate of 6.6125% per annum with an interest amount of £16,236.84 per £1,000,000 Note.

The relevant interest payment date will be July 21, 1993.

Agent Bank: Banque Paribas Luxembourg Société Anonyme

Christiania Bank og Kreditkasse

(Incorporated in the Kingdom of Norway with limited liability)

YEN 18LN STEP-UP BULL COUPON NOTES DUE 1993

YEN 18LN STEP-UP BEAR COUPON NOTES DUE 1993

NOTICE IS HEREBY GIVEN that the final redemption amount of the above mentioned Notes has been calculated at 0% on the Bull Notes and 100% on the Bear Notes. The redemption amount payable on the final redemption date of the Bear Notes.

April 23, 1993, London

By Citibank, N.A. Issuer Services, Calculation Agent

CITIBANK

Dow result cheers chemical sector

By Karen Zagor in New York

DOW CHEMICAL, the second-biggest US chemicals group, yesterday provided a glimmer of hope for the embattled US chemical industry by posting better-than-expected first-quarter earnings.

Although Dow's underlying first-quarter profits dropped 28 per cent to 47 cents a share, they were significantly above the 30 cents Wall Street had anticipated. Dow's shares climbed 3 1/2% to \$54 before the close yesterday.

Mr Leonard Bogner, senior chemical analyst at Prudential Securities, attributed the unexpectedly strong results to "a recovery in Dow's traditional

commodity chemicals and plastics operations, plus a profit contribution from Europe. Most analysts had expected European operations to be in the red.

Mr Bogner said: "While the numbers do not suggest that the chemical cycle is booming, we believe that they do suggest the erosion in profitability is over for chemicals. We would anticipate a slow recovery for the rest of 1993 and some big improvements in earnings in 1994 and 1995."

Special items in the 1993 and 1992 quarters muddled Dow's balance sheet.

In the latest quarter, Dow had net earnings of \$402m, or \$1.47, including a one-time gain

of \$450m, or \$1.1m, from the sale of its 50 per cent stake in Dowell Schlumberger.

A year earlier, Dow posted a net deficit of \$587m, or \$2.17, including charges of \$786m for accounting changes.

Sales in the 1993 quarter slipped 6 per cent to \$4.4bn from \$4.6bn.

Operating income from chemicals and performance products soared 66 per cent in the latest quarter to \$146m, due to widespread improvement in earnings from most businesses in the segment which offset lower prices for caustic soda. Sales were flat at \$1.1bn.

Dow's operating income from plastics rose 4 per cent to \$87m

in spite of a sharp drop in thermoplastic prices in Europe.

Dow said gains in polyurethanes, styrenics and fabricated products led the advance in operating income. Sales slipped 2 per cent to \$1.6bn.

The company's hydrocarbons and energy business narrowed its operating loss to \$7m, from \$31m, on flat sales of \$384m.

Consumer specialties saw operating earnings plunge 52 per cent to \$162m on a 15 per cent decline in sales to \$1.3bn.

Mazion Meyrell Dow, the company's pharmaceuticals operations, posted sharply lower sales and operating income in the period.

United Technologies plunges 32% for quarter

By Martin Dickson

UNITED Technologies, the US high-technology company, reported a 32 per cent drop in first-quarter like-for-like net income, due to plunging profits at its Pratt & Whitney aero-engine division, which has been hit hard by the problems of the world airline industry.

UTC reported net income of \$64m, or 42 cents a share, compared with \$94m, or 68 cents, in the same period of last year, before the impact of a 1992 accounting change. Revenues totalled \$4.9bn, down from \$5.2bn.

Pratt's earnings totalled \$13m, down from \$151m for the same period of last year, while its revenues were \$1.4bn, compared with \$1.8bn.

Caterpillar's advance to \$34m helps spur market

By Martin Dickson in New York

CATERPILLAR, the construction equipment group, helped spur a US stock market rally yesterday, when it reported higher-than-expected first-quarter earnings.

The company made \$34m, or 34 cents a share, against a loss before special accounting items of \$133m, or \$1.31 a share, in the same period of last year when the business was hit by a combination of US recession and a bitter employees' strike.

The strong performance was due mainly to a 44 per cent increase in group sales in the US market as dealers built up inventory in expectation of higher 1993 sales.

The company said it had revised upward its 1993 economic forecast for the US, but the outlook for Europe had deteriorated, with virtually no real growth expected.

Caterpillar shares rose 4 1/2% in morning trading on the New York Stock Exchange, to stand at \$68 before the close, and stock market indices also rose in response to its encouraging US economic news.

The company said other factors behind the improvement included improved margins from better prices and lower cost levels.

Sales and revenues in the quarter totalled \$2.7bn, up \$514m or 24 per cent from last year.

The company said physical sales volume of machinery and engines rose 19 per cent in the quarter, particularly in the US, due to both the inventory

build-up and poor sales volume last year because of the strike and low customer demand.

Sales outside the US totalled \$1.24bn, 8 per cent higher than the same period of last year, despite recession in continental Europe and Japan.

Caterpillar said that economic recovery had begun in the UK and its sales there were now above the levels of a year ago.

It forecast that worldwide company sales would improve moderately in 1993, with a higher percentage of US sales than previously expected.

Its results would be highly dependent on the strength of growth in the US, the severity of recession in Europe, and economic and political conditions in Brazil, where it has large operations.

Delta Air cuts deficit slightly

By Nikkai Tait in New York

DELTA Air Lines, one of the big three US carriers, yesterday unveiled an after-tax loss of \$133.9m for the three months to end-March, only slightly lower than the deficit of \$151.6m in the same period of 1992.

The third-quarter results contained an operating loss of \$178.6m (\$193.3m).

Contained in the operating and after-tax losses was an \$82.5m "restructuring charge" related to the decision to return certain Airbus jets to the lessors and to temporarily lay-off 600 pilots. Excluding this charge, Delta would have made an operating loss of \$96m, and a net loss of \$81.7m.

Delta's figures came one day after American Airlines had cheered the entire US airline sector with better-than-expected first-quarter results, and hinted that profitability could be in sight.

Improved US crude and gas prices boost Texaco by 20%

By Karen Zagor

HIGHER US prices for crude and natural gas contributed to surprisingly strong first-quarter earnings from Texaco, the US energy group, in spite of lower revenues. The company also benefited from improved product margins in Latin America and cost-cutting.

Excluding charges of \$300m for accounting changes last year, first-quarter earnings rose 20 per cent to \$278m, or 97 cents a share, from \$232m, or 80 cents, in the 1992 quarter. The company reported a net loss of \$68m, or 36 cents, in the 1992 quarter, including the charges.

Revenues slipped to \$5.5bn in the first three months of 1993, from \$5.6bn the previous year.

On Wall Street, shares in Texaco firmed 8 1/2% to \$65 1/2 in mid-day trading.

Mr Alfred DeCrane, who recently replaced Mr James Kinnear as chief executive, said: "Texaco has been able to



Alfred DeCrane: Cost-cuts helped secure advance

contain its costs and expenses and maintain its operational competitiveness through improvements in its business processes."

Higher prices for crude oil and natural gas, and lower operating expenses, helped Texaco's operating earnings from domestic exploration and production soar to \$133m, from \$86m a year ago.

Earnings from US manufacturing and marketing fell to \$53m, from \$78m last year, reflecting a glut of supply which depressed refinery margins on the east coast and Gulf of Mexico coast. In contrast, Texaco's west coast operations had improved margins.

International exploration and production profits slipped to \$79m in the 1993 quarter, from \$102m. Last year's earnings benefited from currency gains of \$23m from lower UK deferred taxes.

Stronger margins in Latin America and the Caltex operating area lifted Texaco's international manufacturing and marketing earnings to \$123m from \$91m.

Texaco's petrochemical operations lost \$7m in the 1993 quarter, compared with earnings of \$8m a year earlier.

BankAmerica income up 60%

By Alan Friedman in New York

BANKAMERICA Corporation, which last year completed its takeover of the troubled Security Pacific bank, yesterday reported a 60 per cent jump in its first-quarter 1993 net income, to \$454m, or \$1.19 per share.

Mr Richard Rosenberg, chairman, said the results reflected the continuing effects of weakness in the California economy and other key markets.

"These economic weaknesses remain a source of concern. However, improvements in the more controllable aspects of our business, such as expenses

and credit quality, have helped to mitigate the effects of the soft economy," he explained.

The bank underscored the fact that its non-performing assets and the size of assets to be disposed of declined during the first three months of 1993. Non-performing assets declined by \$805m in the quarter. Assets pending disposal declined by \$1.7m to \$2.5bn.

Net credit losses in the quarter were \$303m, down from \$501m in the fourth quarter of 1992, but higher than the \$219m of the first quarter of last year. Bad debt provisions were \$235m, against \$230m a year ago.

Net interest income for the quarter was \$1.843bn, down by 5 per cent from the last quarter of 1992, but much improved on the \$1.231bn of a year ago - before the merger with Security Pacific.

Non-interest income was \$1.068bn in the quarter, 8 per cent higher than the previous quarter and nearly twice the \$566m of a year ago.

BankAmerica's share price was up \$ 1/4 to \$49 1/2 before the close in New York.

Bank of Boston reported a first-quarter \$67m net profit, against \$57m. Non-performing assets were \$597m, down 53 per cent on last year.

MCI edges ahead of competition

By Martin Dickson

MCI Communications, the second-largest US long-distance telecommunications company, yesterday showed strong growth in traffic and operating earnings as it reported a 7 per cent increase in first-quarter net income after extraordinary items.

The company, which is involved in a fierce marketing war with long-distance rivals AT&T and Sprint, reported a 13.5 per cent increase in traffic compared with a year ago - well ahead of the industry

average - and a 4.7 per cent rise from the fourth quarter.

MCI said growth had come across all markets. It attributed this to new contract awards from large business customers, new products, and its strength in the consumer and small-to-medium business market, achieved with innovative offerings.

Its Friends and Family plan, a discount programme in the consumer market, recently achieved 10m subscribers, but now faces additional competition from a new residential service launched by market leader AT&T.

MCI's net income totalled \$151m, or 56 cents a share, compared with \$141m, or 51 cents, in the same period of last year, while revenues rose 11.8 per cent to \$2.81bn.

The income figure included a \$17m extraordinary charge for the early retirement of debt. However, at an operating level, income reached \$94m, up 20 per cent on a year ago, while operating expenses totalled \$2.47bn, up from \$2.2bn.

Cigarette price war hurts profits

AMERICAN Brands, the Connecticut-based consumer products company with large tobacco interests, yesterday warned of lower first-half profits due to the cigarette price war begun this month by its rival Philip Morris, writes Nikkai Tait in New York.

First-quarter profits, before accounting charges, edged up to \$247.1m, from \$245.2m a year earlier, on revenues of \$3.74bn down from \$3.83bn.

Borland and WordPerfect unite against Microsoft

By Louise Kehoe in San Francisco

BORLAND International and WordPerfect, two of the leading suppliers of software for personal computers, have formed a strategic alliance to compete more effectively against Microsoft, the world's largest software company.

The two companies will share technology and other resources but have no plans to merge, they said.

Initially, Borland and WordPerfect will collaborate in

research and development and jointly support standards for accessing data on different types of computers. They will also co-ordinate marketing, sales and support programmes.

Financial terms of the agreement between Borland and WordPerfect were not revealed. The companies said, however, that it did not include equity investment by either company.

Next month, Borland will launch the first product resulting from the alliance, Borland Data, a market research group, Microsoft sold 700,000 suite

packages in 1992, and Lotus 100,000.

However, neither offer a "suite" package containing a database management program.

This product will be available only in North America at first, where it will cost \$95, less than half the price of the three programs that it combines.

Borland Office will compete with similar "suites" of application programs from Microsoft and Lotus Development. According to International Data, a market research group, Microsoft sold 700,000 suite

packages in 1992, and Lotus 100,000.

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Data General turns in an unexpected loss

By Louise Kehoe

DATA GENERAL, the US minicomputer manufacturer, reported unexpected losses for the second quarter as its struggle to achieve sustained profitability faltered, despite increased sales of its new open systems products.

Net losses for the quarter were \$7.6m, or 22 cents per share, compared with losses of \$5.3m, or \$1.68, in the same period last year when the company took a restructuring charge of \$48m.

Revenues were \$267.4m, against \$273.8m. The company said that, without the unfavorable impact of foreign exchange rate changes, revenue would have been slightly higher than last year.

"We are not satisfied with the overall results, primarily in the revenue area," said Mr Ronald Skates, president and chief executive, "but we are encouraged by the continued success of our open systems computers."

Costain Finance N.V.
(Incorporated in the Netherlands Antilles with limited liability)

Notice of Extraordinary Resolution
of the holders of
7 1/2 per cent. Guaranteed Redeemable Convertible Preference Shares 2003
(the "Preference Shares")
of Costain Finance N.V.
(the "Company")

NOTICE IS HEREBY GIVEN that at a meeting of the holders of the Preference Shares held on the 8th day of April, 1993 the following resolution was duly passed as an Extraordinary Resolution in accordance with the provisions of the Articles of Association of the Company:-

EXTRAORDINARY RESOLUTION

"THAT:-

(i) the sale of the whole of the issued share capital of Richard Costain (Holdings) Limited on the terms and conditions contained in the agreement dated as of 20th October, 1992 between Costain Group PLC and Peabody Resources (UK) Limited (as amended by a Settlement Agreement dated 18th March, 1993 between the same parties (as either or both of the same may be amended or varied from time to time), details of which are set out in the circular dated 1st April, 1993 distributed to, and signed by the ordinary shareholders of Costain Group PLC (a copy of which was produced to the meeting marked "A") and signed for the purposes of identification only by the chairman of the meeting), be and is hereby approved;

(ii) the terms of issue of the Preference Shares (as such terms of issue are contained in the Articles of Association of the Company and a Resolution of the Board of Management of the Company dated 1st August, 1988) be and are hereby amended by deleting sub-paragraph (a)(ii) of paragraph 4 thereof and inserting in its place a new sub-paragraph (a)(ii); and

(b) the Articles of Association of the Company be and are hereby amended by deleting sub-paragraph 1(b) of Article 6 and inserting in its place a new sub-paragraph 1(b), each of the new sub-paragraphs referred to above being in the following form:-

"Subject to the completion of the purchase of the whole of the issued share capital of Richard Costain (Holdings) Limited (the "Sale") upon the terms and subject to the conditions of an agreement dated as of 20th October, 1992 between Costain Group PLC and Peabody Resources (UK) Limited (as amended by a Settlement Agreement dated 18th March, 1993 between the same parties (as either or both of the same may be amended or varied from time to time), details of which are set out in the circular dated 1st April, 1993 distributed to, and signed by the ordinary shareholders of Costain Group PLC (a copy of which was produced to the meeting marked "A") and signed for the purposes of identification only by the chairman of the meeting), the holder of each Preference Share shall have the option to require the Company to redeem such Preference Share at a redemption price of £4,912.50 together with dividends accrued but unpaid to (but excluding) the date of redemption, such option being exercisable during the period commencing the business day immediately following the completion of the Sale and expiring on the day falling 60 days after completion of the Sale upon delivery of the relevant Certificate together with all Coupons appertaining thereto maturing after 24th August, 1992 (falling within an amount equal to the face value of each missing matured Coupon will be deducted from the redemption price) to the specified office of any Paying and Conversion Agent, accompanied by a duly completed option notice in the form obtainable from any Paying and Conversion Agent. The Paying and Conversion Agent with which such option notice, certificate and Coupons (if applicable) are deposited shall issue to the Preference Shareholder concerned a non-transferable receipt (an "Optioned Preference Share Receipt") in respect of the relevant Preference Share. For the purposes of this sub-paragraph, the "date of redemption" means the date upon which a holder of a Preference Share delivers the relevant Certificate, Coupons and duly completed option notice to a Paying and Conversion Agent in accordance with the aforementioned requirements of this sub-paragraph."

OPTION FOR THE REDEMPTION OF THE PREFERENCE SHARES

On 22nd April, 1993 the sale and purchase of the whole of the issued share capital of Richard Costain (Holdings) Limited was completed upon the terms and subject to the conditions of the agreement dated as of 20th October, 1992 between Costain Group PLC and Peabody Resources (UK) Limited, as amended by a Settlement Agreement dated 18th March, 1993 between the same parties (as either or both of the same may be amended or varied from time to time), details of which are set out in the circular dated 1st April, 1993 distributed to, and signed by the ordinary shareholders of Costain Group PLC (a copy of which was produced to the meeting marked "A") and signed for the purposes of identification only by the chairman of the meeting.

Accordingly, under the terms of the Preference Shares (as amended by the Extraordinary Resolution referred to above) holders of Preference Shares now have an option to require the Company to redeem each Preference Share at a redemption price of £4,912.50 together with dividends accrued but unpaid to (but excluding) the date of redemption (as defined in the Extraordinary Resolution).

Such option is exercisable during the period commencing on 23rd April, 1993 and expiring on 21st June, 1993 ("Option Period").

Holders of the Preference Shares may exercise their option at any time during the Option Period by completing an option notice (in the form obtainable from the offices of any Paying and Conversion Agent specified below) and depositing the duly completed option notice together with the relevant Preference Share Certificates and Coupons at any specified office of any Paying and Conversion Agent with which such option notice, certificate and Coupons (if applicable) are deposited shall issue to the Preference Shareholder concerned an Optioned Preference Share Receipt (as defined in the Extraordinary Resolution). Redemption amounts will be paid by the Principal Paying and Conversion Agent against the surrender of the relevant Optioned Preference Share Receipt at any specified office of any Paying and Conversion Agent in accordance with paragraph 5 of the Terms of Issue.

ACTION TO BE TAKEN

Holders of the Preference Shares may exercise their option at any time during the Option Period by completing an option notice (in the form obtainable from the offices of any Paying and Conversion Agent specified below) and depositing the duly completed option notice together with the relevant Preference Share Certificates and Coupons at any specified office of any Paying and Conversion Agent with which such option notice, certificate and Coupons (if applicable) are deposited shall issue to the Preference Shareholder concerned an Optioned Preference Share Receipt (as defined in the Extraordinary Resolution). Redemption amounts will be paid by the Principal Paying and Conversion Agent against the surrender of the relevant Optioned Preference Share Receipt at any specified office of any Paying and Conversion Agent in accordance with paragraph 5 of the Terms of Issue.

PRINCIPAL PAYING AND CONVERSION AGENT
Bankers Trust Company, 7 Appold Street, Broadgate, London EC2A 4HE.
Attention: Corporate Trust and Agency Group

PAYING AND CONVERSION AGENTS
Bankers Trust Luxembourg S.A., P.O. Box 807, 14 Boulevard F.D. Roosevelt, L-2450 Luxembourg
Swiss Bank Corporation, Aeschenvorstadt 1, CH-4002 Basle

Dated 23rd April, 1993 By order of the Board of Management of Costain Finance N.V.

Lower prices push Cominco into C\$36.8m loss

By Robert Gibbons in Montreal

COMINCO, the Canadian mining, metals and fertilisers group, posted a loss of C\$36.8m (US\$29.2m), or 47 cents a share, for the first quarter because of poor prices.

This compared with a loss of C\$4.5m, or 7 cents, in the corresponding quarter of 1992. Sales were C\$291.5m, against C\$329m a year earlier.

The lower Canadian dollar only partly offset sharply lower base metal prices, Cominco said. Mining and integrated metals operations showed an operating loss of C\$22.2m,

INCO (Indonesia), which is majority-owned by Inco, the Canadian mining company, yesterday announced a 31 per cent fall in net profits to US\$45.45m for the first quarter compared with the year-earlier period, writes William Keeling in Jakarta.

The company's mine in

Sulawesi is among the world's lowest-cost producers, and the results underscore the effect of low nickel prices on producers' bottom lines.

While Inco (Indonesia) announced a fall in year-on-year first-quarter sales to \$39.95m from \$41.41m, no figures were released for production or sales volumes, or for actual realised price of nickel in the first three months.

"From quarter to quarter, results can be delayed due to shipping schedules. Until we get the full breakdown of figures, it's difficult to judge the company's performance," noted one foreign broker.

Inco is responding to lower nickel prices by driving costs down further and may cut back production again later this year, Mr Michael Sopko, chairman, told the annual meeting in Toronto.

"Russian nickel exports

overhang the market like a cloud," he said.

Inco is looking to offshore laterite deposits for future expansion, because they can be mined by open-pit methods and show lower costs.

● **Stelco**, Canada's second-biggest steelmaker, lost C\$38m, or 51 cents a share, in the first quarter, against a loss of C\$33m, or 45 cents, a year earlier. Sales were little changed at C\$575m.

● **Rio Algom's** first-quarter profit jumped 43 per cent to C\$7m, or 15 cents a share, on revenues of C\$258m, up 8 per cent. The gain came from growth in metals distribution.

COMPAGNIE DE SAINT GORAIN
Public company with a capital of
Fr. 999,327,500
Registered Office: "Les Miniers" 18,
Avenue d'Alsace - 92480 COURBOVEUR
RCS : NANTERRE B 642 839 532
PARTICIPATING STOCK APRIL 1984
OF ECU 1000 EACH
GENERAL MEETING TO BE HELD ON
APRIL 26, 1993
AGENDA

The owners of participating stock April 1984 of ECU 1000 of COMPAGNIE DE SAINT GORAIN are invited to attend the General Meeting which will be held on April 30, 1993 at 11.00 am at the registered office, at COURBOVEUR (92480) "Les Miniers" 18, Avenue d'Alsace.

• BOARD OF DIRECTORS REPORT ON THE COMPANY'S OPERATIONS FOR FINANCIAL YEAR 1992
• AUDITORS' REPORT ON FINANCIAL YEAR 1992 ACCOUNTS AND ELEMENTS FOR FIXING THE PARTICIPATING STOCK YIELD
• FIXING THE INCOME OF THE MASSE SOUTILLEE REPRESENTING THE POWERS FOR FORMALITIES

To attend the meeting the participating stock owner will have to provide a blocking affidavit issued by the trustee and in order to appoint a deputy at the meeting they will have to add a proxy to the affidavit.

THE BOARD OF DIRECTORS

POTNAM EMERGING INFORMATION SCIENCES TRUST
Société anonyme
47, Boulevard Royal
L-2449 Luxembourg
R.C. Luxembourg No. B 25.1516

Dear Shareholder,

We have the pleasure of inviting you to attend the Annual General Meeting of shareholders, which will be held on April 30, 1993 at 11.00 am at the office of State Street Bank Luxembourg S.A., 47, Boulevard Royal, L-2449 Luxembourg, with the following agenda:

AGENDA

1. Presentation of the reports of the Board of Directors and of the Auditor.
2. Approval of the balance sheet, profit and loss account as of December 31, 1992 and the allocation of net profits.
3. Discharge of the Directors and the Auditor for the fiscal year ended December 31, 1992.
4. Action on nomination for the election of Directors and an Auditor for the ensuing year.
5. Any other business which may be properly brought before the meeting.

The shareholders are advised that no quorum for the terms of the agenda is required, and that the decisions will be taken at the majority vote of the shares present or represented at the Meeting. Each share is entitled to one vote. A shareholder may act at any Meeting by proxy.

By order of the Board of Directors.

INTERNATIONAL COMPANIES AND FINANCE

Freegold output behind Anglo American climb

By Philip Gawth
in Johannesburg

IMPROVED gold output from the Freegold mine helped the Anglo American group to record a 3.5 per cent increase in attributable profits to R209.8m (\$66.2m) in the three months to the end of March, from R202.7m in the December quarter.

Anglo American, the world's largest gold producer, lifted production by 1 per cent to 67,091kg from 66,396kg in the previous quarter. The average revenue rose by 2 per cent to R34.70 per kg from R34.040 per kg reflecting the benefits of hedging and a firmer gold price.

Total costs rose by 3 per cent to R1.79m from R1.75m, with average unit costs 1 per cent higher at R26.731 per kg against R26.387 per kg.

Mr Clem Sunter, chairman of Anglo American's gold and uranium division, noted that the attributable profits were 27 per cent higher than the quarterly average in 1992 of R165m.

He was cautiously optimistic about the group's prospects. He said there was more of a positive attitude in the market towards gold, and there was "definite scope now for gold to move into the \$350 to \$370 an ounce range."

This would benefit Anglo American's mines, he said, as no mine, taking any 12-month period, had more than 50 per cent of its production hedged.

Freegold, the holding com-



Clem Sunter: 'positive attitude in market towards gold'

pany for the group's Free State operations, achieved a quarterly production record of 30,064kg, up from 28,950kg in the December quarter. Its attributable profits rose by 22.8 per cent to R92.7m from R75.5m on the back of increased production, lower unit costs and a 2.6 per cent increase in the average price of gold.

The group's Transvaal mines all performed solidly. Vaal Reefs's production was virtually unchanged at 18,901kg, but attributable profits fell to R55.6m from R61.8m as last quarter's figures included a dividend from Southvaal Holdings.

The directors said Western Deep Levels had had its best first quarter in years, but attributable profits dropped to R32.6m from R30.1m due to a sharply higher tax charge.

Rise of 21% in per share earnings at Citic Pacific

By Simon Holberton
in Hong Kong

CITIC Pacific, the Beijing-controlled conglomerate in Hong Kong, yesterday posted a 200 per cent rise in net profits to HK\$1.1bn (US\$129m) from HK\$332.9m in 1991 on turnover of HK\$8.3bn, up from HK\$3.11bn.

The directors declared a final dividend of 22 cents a share making 30.2 cents for the year - up 25 per cent on 1991.

Comparisons with the past are difficult because Citic underwent a large change in 1992, acquiring Hang Chong, a large trading company. The figures also include a first time contribution from Citic's 12.5 per cent interest in Cathay Pacific and 46 per cent of Dragon Air.

During the year Citic also acquired a 12 per cent stake in Hongkong Telecom, interests in two mainland Chinese power stations and a share in a waste disposal plant in Hong Kong.

Earnings per share - a better guide to Citic's management of its assets - grew by 21 per cent to 87.4 cents, from 72 cents in 1991.

Mr Larry Yung, chairman, said Citic would continue to acquire more assets and raise more cash but only as long as two pre-conditions were met - "that per share earnings will not be diluted and that the interests of small shareholders will be protected."

Da Chong Hong, which distributes Nissan cars, moved aggressively into mainland China last year. Citic said that sales to China, which analysts put at more than 12,000, accounted for 54 per cent of its total car sales last year.

Da Chong Hong also plans to manage a confectionery and food manufacturing plant in Shanghai and has signed an agreement with Isuzu of Japan to produce trucks and vans in Sichuan.

Profits from Dragon Air - the Cathay/Citic joint venture airline which took over Cathay's China routes - doubled last year. Jardine Fleming estimated that Dragon produced a profit of more than HK\$200m.

Carrier's crucial timetable for recovery

James Whittington reports on Middle East Airlines' struggle to return to profitability

LEBANON'S Middle East Airlines (MEA), once a successful carrier, has during the past 15 years been associated only with hijackings and terrorism.

Severely affected by the protracted fighting and repeated closures of Beirut International Airport during Lebanon's civil war, the privately-owned carrier was frequently victim of hijacking militias seeking international exposure.

Now hostilities are over and the government led by Saudi-Lebanese prime minister Mr Rafik Al Hariri is determined to rebuild the country. As a consequence, MEA is looking to regain some of its former status.

Mr Abdel Hamid Fakhoury, appointed the airline's chairman in June last year and reportedly close to Lebanese President Elias Hrawi, says: "We are in a period of transition. During the war, our main policy was that of survival. We had to continue. Having survived, we can now look at building on what we have."

With a low level of debt of about \$50m, Mr Fakhoury says that the airline's "conservative policy" during the war has paid off. Its fleet remains substantially the same as that in

1975, with three Boeing 747s and eleven Boeing 707s. In 1992, it leased two Airbus A310-200s from KLM Royal Dutch Airlines. This contract runs for three years and grants MEA the option to buy the aircraft.

Despite a 28 per cent reduction in the number of employees in 1991, MEA is still the biggest private employer in the country, with 3,873 staff.

The carrier's ownership is split between the majority state-owned Intra Investment Company, which has a 62 per cent stake, and Air France which owns 28 per cent. The remaining 10 per cent is half owned by employees and half by Lebanese investors. Shareholders in Intra include Lebanon's central bank, the National Bank of Kuwait, and the governments of Qatar and Kuwait.

MEA services 37 destinations in Europe, Africa and the Middle East. Last year, it carried 701,805 passengers, which compares with more than 1.1m in 1975 when Lebanon attracted peak numbers of tourists. Unprofitable flights to Ankara and Dacca have recently been stopped and the airline's overall net losses last year were cut to \$5.2m from \$10m in 1991.

Having suffered accumulated losses of more than \$200m

since 1976, Mr Fakhoury is confident that the airline's loss-making days are over. "We hope to break even this year for the first time since 1975," he says.

His confidence is reflected by a high level of business optimism in Beirut. Mr Al Hariri, who is himself a dollar billionaire, seems to have instilled faith among the Lebanese business community and with foreign aid now starting to flow into Beirut's reconstruction programme, the city is beginning to shake off its image as one of the most dangerous places in the world.

As an indication of this, the Arab Aircraft Carrier Organisation (AACO) decided to return its headquarters to Beirut at its annual conference earlier this month. Mr Fakhoury explains that MEA's policy is firstly to serve the large number of Lebanese expatriates scattered around the world, and secondly to recapture the booming tourist trade of the 1960s and early 1970s.

A central objective of the airline's comeback strategy is to regain its routes to the US. These were stopped in June 1985 after a TWA airliner on an

Athens-Rome flight was hijacked by members of Hizbollah, the Islamic fundamentalist group, and ordered to fly to Beirut.

Mr Fakhoury says: "There is continual dialogue between our government and the US, but so far the response has been, 'give it more time.' MEA hopes that when the US rescinds the ban, other important routes will be granted, such as one to Canada and Australia."

"One of the basic characteristics of this country is that we have a large number of Lebanese spread all over the world. MEA could make profits on this market alone, if we are given access to them," he says.

In anticipation of increased passenger traffic, the government plans to expand the state-owned Beirut International Airport. Modernisation of the airport's facilities is already under way. Having been frozen for most of the past 18 years by the civil war, much of the airport's aviation technology is out of date.

Plans for expansion include a terminal capable of handling a flow of 6m passengers a year and a third 3,500-metre runway. In 1992, 31 foreign airlines used the airport, including Air France, KLM and Alitalia, and

the airport handled about 1m passengers. Tourist traffic today, however, according to Mr Fakhoury, is negligible.

Funds required to rehabilitate and develop the airport will be allocated by Lebanon's Council of Development and Reconstruction (CDR), charged by the government to oversee the reconstruction of the country.

The CDR is seeking \$5bn in foreign aid and private investment for the reconstruction of Beirut city, including the airport. "If finance is forthcoming, development should take no more than two years," says Mr Fakhoury.

MEA's future hinges on whether this timescale can be met and this depends on Mr Hariri's ability to deliver. The government faces a Herculean challenge in its plans for reconstruction and stabilising an economy awash with corruption, unemployment, poverty and mismanagement.

The country's politics remain volatile, and regional stability is far from guaranteed. While MEA attempts to improve its tarnished image abroad, many potential passengers are likely to wait and see before booking a flight.

Seven-Eleven Japan advances

By Charles Leadbeater
in Tokyo

SEVEN-Eleven Japan, the country's largest convenience store operator, yesterday reported a 3.7 per cent increase in pre-tax profits, one of the best financial performances this year by a leading retailer.

While most Japanese retailers, especially luxury department stores, have been hit hard by the downturn in consumer spending, Seven-Eleven announced increases in its profits, sales and dividends.

Seven-Eleven runs an extensive network of 24-hour, local convenience stores, which sell food and household items. The contrast between its improved financial performance and the sharp deterioration in the performance of leading department stores is an indicator of how consumer spending is

shifting from luxury brands to basic goods.

The group's pre-tax profit rose by 3.7 per cent to ¥85,160m (¥87m) for the year to the end of February on overall sales growth of 11.8 per cent to ¥181,962m. The company said it was increasing its final dividend by ¥0.5 per share to ¥34, up ¥2 from last year.

Denny's Japan, the fast-food restaurant chain, reported a 19.1 per cent fall in pre-tax profits in the year to the end of February, largely because lower interest rates lowered its non-operating income and it had fewer customers. Denny's pre-tax profits were ¥6,460m, compared with ¥7,990m in the previous year. Sales rose by 0.6 per cent to ¥85,480m, from ¥85bn the year before.

Both Seven-Eleven and Denny's are affiliated with Ito-Yokado, Japan's largest super-

market operator. The slump in the Japanese economy was the main factor behind Ito-Yokado reporting its first ever fall in consolidated pre-tax profits.

Ito-Yokado, said consolidated pre-tax profit, covering the parent group and 58 subsidiaries, for the year to the end of February, was 11.1 per cent down at ¥181,121m. The parent company's unconsolidated pre-tax profit rose by 0.4 per cent to ¥97,510m on sales of ¥1,511,550m, up 3.6 per cent on the year before.

Tokyo, the Tokyo-based supermarket and chain store operator, reported a 14.3 per cent fall in pre-tax profits to ¥4,930m, on sales which were 2.2 per cent up at ¥291,320m. Taka-Q, the clothing manufacturer, reported a loss of ¥1,270m in the year to February 28. Sales fell by 12.5 per cent to ¥74,690m.

Tokyo Steel tumbles as rivals cut capital spending

By Robert Thomson in Tokyo

TOKYO Steel Manufacturing, a medium-sized Japanese steelmaker, yesterday reported a 51.9 per cent fall in pre-tax profits to ¥28.5bn (¥27m) for the year ending in March, as larger steelmakers announced cuts in capital spending for this year.

Sales slipped 4.8 per cent to ¥203.3bn following a sharp fall in demand from the private construction industry, which has been seriously bruised by a surplus of office and apartment buildings in the two largest cities, Tokyo and Osaka.

The company also reported that weakening demand led to tougher price competition among Japanese makers. Larger makers export about 20 per cent of their production,

but Tokyo Steel depends for about 90 per cent of its sales on a still-weakening domestic market.

Tokyo Steel hopes that a ¥13,200bn economic package announced last week will stimulate orders for public works projects, and is confident that the private construction market will recover later this year.

But, for the year ending next March, the company expects a 13 per cent fall in sales to ¥177bn, and a pre-tax profit of only ¥3bn.

Meanwhile, Nippon Steel, the world's largest steelmaker, announced a 15 per cent cut to ¥170bn in capital spending planned for this year, while NKK, another leading maker, said its outlays would fall 29 per cent to ¥145bn.

DSM N.V.

based at Heerlen

DSM invites its shareholders to the Annual General Meeting

The Annual General Meeting will be held on Thursday, May 13, 1993, at 14.00 p.m., at the company's head office, Het Overloon 1, Heerlen.

The agenda with notes, the annual report and the annual accounts are available for inspection by the shareholders and other persons entitled to attend the meeting at the company's head office, Het Overloon 1, Heerlen, and at the offices of the banks mentioned alongside, and can there be obtained by them free of charge. Holders of ordinary bearer shares who wish to attend the meeting should deposit these shares not later than May 7, 1993 at one of the offices of the banks mentioned alongside receipt, which receipt gives access to the meeting. Persons attending the meeting should be able to identify themselves upon request. The foregoing also holds for those who derive meeting rights from rights of usufruct or lien attached to shares.

Heerlen, April 1993
The Managing Board

DSM

DSM Corporate Public Relations, P.O. Box 6500, 6401 JH Heerlen (Netherlands), tel.: 45-782371



ASM - BRESCIA
azienda servizi municipalizzati - Brescia

NOTICE OF PREQUALIFICATION

The Municipal Services Utility (Azienda Servizi Municipalizzati) of Brescia, Italy is planning to purchase technically advanced mechanical vacuum sweepers for street and pavement sweeping. In particular, the sweepers have to show efficiency in sweeping, low noise and low emissions.

The interested firms are kindly asked to submit appropriate documentation within 20 days from the date of the publication of this notice to the following address:

AZIENDA SERVIZI MUNICIPALIZZATI
Via Lamarmora 230
25124 BRESCIA (ITALY)
Fax: +39-30-349697

CREDIT NATIONAL
FRF 600,000,000
8.40% BONDS DUE 2003
with coupon reinvestment option
Common Code: 3651355
Sicovam Code: 14762

According to the terms and conditions of the Bonds, notice is hereby given that 432 supplementary Bonds have been created upon exchange against Coupons on account of payment of interest. New total nominal amount outstanding as of: 29/4/93: FRF 643 200 000

THE PRINCIPAL PAYING AGENT SOGENAL SOCIETE GENERALE GROUP
15, Avenue Emile Reuter
LUXEMBOURG

Banesto Finance Ltd.
US\$100,000,000
Subordinated floating rate notes due 2003

Notice is hereby given that the notes will bear interest at 4.8125% per annum from 21 April 1993 to 21 October 1993. Interest payable on 21 October 1993 will amount to US\$123.32 per US\$5,000 note. US\$244.64 per US\$10,000 note and US\$2,446.35 per US\$100,000,000 note.

Agent: Morgan Guaranty Trust Company
JPMorgan

OVERSEAS UNION BANK LIMITED
US\$100,000,000

Subordinated Floating Rate Notes due 2001
(Redeemable at the option of the Noteholders in 1996 and 2006)

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months 23rd April, 1993 to 23rd October, 1993 has been fixed at 3.4375%. The interest payable on the relevant interest payment date, 23rd October 1993, will be US\$4,416.23 per US\$250,000 Note.

West Merchant Bank Limited
Agent Bank

CORRECTION NOTICE
LAVORO BANK
OVERSEAS N.V.
(Incorporated with limited liability in the Netherlands Antilles)

US\$300,000,000
Floating Rate Guaranteed Notes
Due 1993
Unconditionally and irrevocably guaranteed as to payment of principal and interest by BANCA NAZIONALE DEL LAVORO (Incorporated as an Institute of Credit of the Republic of Italy)

Notice is hereby given that the corrected interest payable (in June 1993) will amount to US\$2,454,538 per US\$100,000,000 Principal amount of the Notes. (Please note the interest payable date has been corrected.)

Agent Bank
The Long-Term Credit Bank of Japan, Limited
Tokyo



3i GROUP PLC

£75,000,000

FLOATING RATE NOTES 1994

FOR THE THREE MONTH PERIOD
21ST APRIL, 1993 TO 21ST JULY, 1993

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 6 3/4% per annum and that the interest payable on the relevant interest payment date, 21st July, 1993 against Coupon No. 35 will be £771.32 from Notes of £50,000 nominal and £77.13 from Notes of £5,000 nominal.

S.G. WARBURG & CO. LTD.
(Agent Bank)



Nationwide
£100,000,000
Floating rate notes
due 1998
(Issued by Anglia Building Society)

Notice is hereby given that the notes will bear interest at 6.1875% per annum from 21 April 1993 to 21 July 1993. Interest payable on 21 July 1993 will amount to £37.13 per £5,000 note and £3,713.25 per £250,000 note.

Nationwide Building Society
Agent: Morgan Guaranty Trust Company
JPMorgan

Notice of Partial Redemption

RHONE-POULENC S.A.
FRF 600,000,000
9 3/4% Series A Bonds due 1996
with Income Warrants to acquire up to FRF 600,000,000
9 3/4% Series B Bonds due 1996

Notice is hereby given that pursuant to paragraph 5 (a) of the Terms and Conditions of the Bonds, the following Series A Bonds in the principal amount of FRF 35,000,000 have been drawn by lot and are due for redemption at 100% plus accrued interest at the offices of the principal paying agent on 3rd May, 1993:

No 56294 to No 56799 included. Interest will cease on the Bonds called for redemption on and after the Redemption Date.

Payment will be made upon presentation and surrender of the Bonds, together with all appurtenant coupons maturing subsequent to the Redemption Date.

The Fiscal Agent
Banque Nationale de Paris
(Luxembourg) S.A.



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FINANCIAL TIMES
MAGAZINES

Pierson, Holding & Pierson N.V.

Bank Mees & Hope N.V.

announce that as from April 23, 1993, they merged into

Mees Pierson

In the Netherlands MeesPierson N.V. is established in Amsterdam, Rotterdam and The Hague.

MeesPierson is also established in:

Antwerp, Aruba, Bahamas, Budapest, Curacao, Geneva, Guernsey, Hamburg, Hong Kong, Isle of Man, Jakarta, Cayman Islands, London, Luxembourg, Madrid, New York, Oslo, Philadelphia, Singapore, St. Maarten, Taipei, Tokyo, Zug, Zurich.

مكاتبنا في القاهرة

Cut in Lombard rate puts life back into European markets

By Jane Fuller in London and Patrick Harveron in New York

BOND markets across Europe swung back to life following the Bundesbank's decision to cut German interest rates yesterday. The German central bank announced a 40 basis point cut in the Lombard rate, taking it down to 8.5 per cent, and a 40 basis point cut in the discount rate to 7.25 per cent.

The relief was all the greater because dealers said some news agencies initially mistakenly reported that there had been no change in German rates.

GOVERNMENT BONDS

That false alarm briefly sent the bond futures contract down to 95.55, compared with the opening 95.70.

This was rapidly reversed after news of the cuts came through, and the bond futures contract closed at the day's high of 96.28.

Trading volumes were very heavy, with about 94,000 futures contracts traded.

The change in mood followed a couple of weeks of pessimism, culminating in disappointment at the first-quarter M3 money supply expansion and at the German finance minister's warning on the budget deficit earlier this week.

end, although dealers said the peseta remained under pressure.

THE UK government bond market ended the day a little lower, although the German news led to some recovery after the market had been punctured by the surprisingly good UK unemployment figures.

A second month's fall in the jobs was taken as a sign that the economy had turned the corner, ruling out hopes of a further cut in interest rates and raising concern about inflationary pressure later in the year.

At one stage, the 10 to 15-year bonds were down more than a point and the futures contract was down by a similar amount.

FT FIXED INTEREST INDICES

	April 22	April 21	April 20	April 19	April 18	Year ago
Northshore (RQ)	95.50	95.90	95.80	96.08	96.95	98.45
Fixed Interest	111.80	111.52	111.80	112.09	112.78	102.21
Bank 100: Government Securities 151/04/06; Fixed Income						
* for 1980: Government Securities High since completion: 127.40 (9/1/82), low						
Fixed Interest High since completion: 113.85 (8/1/83), low 90.53 (3/1/75)						
GLT Edged Activity						
Indices*	April 21	April 20	April 19	April 18	April 17	
800 Edged Bargains	121.8	121.9	125.9	119.1	111.1	111.1
5-Day averages	118.5	118.5	115.7	111.1	111.1	111.1
* SE activity indices rebased 1974						

COMPANY NEWS: UK

Continuing pressure on UK margins following devaluation of sterling

Albert Fisher shows advance to £25m

By Andrew Bolger

MR STEPHEN Walls has become full-time executive chairman of Albert Fisher, the food processing and distribution group.

The announcement accompanied the interim figures which disclosed a pre-tax profit of £25m.

Mr Walls became non-executive chairman in July after the sudden departure of Mr Tony Millar following a profits warning. Mr Millar built the company by acquisition into one of the stock market stars of the eighties.

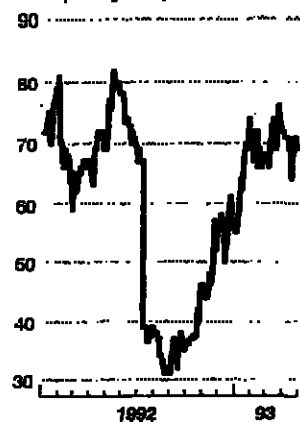
The profit covered the six months to February 28 and compared with a restated £17m last time. The shares, which fell from 82p last May to a low of 31p in August, yesterday dipped 2p to 69p.

Sales slipped from £908m to £899m. Mr Walls said: "We have yet to see any significant impact of an upturn in the UK economy on our markets, with continuing pressure on margins following the devaluation of the pound."

"As we anticipated, the over supply of fresh produce has continued to overhang the market in Europe which, when linked to the recession now prevalent throughout Europe, continues to create very difficult marketing conditions."

Albert Fisher

Share price (pence)



Source: FT Graphite

However, the first signs of improvement in the North American market are evident, particularly in our south-east region."

The European fresh produce division suffered most, with operating profits down from £7m to £42,000. German trading was hit by recession and low banana prices. In the UK, an exceptional European apple crop continued to overhang the market, while on the Continent the large Spanish citrus crop and reduced demand led to severely depressed margins.

The apple glut also affected

the European food processing division, which saw operating profits fall from £13.7m to £9.72m. The juice and concentrates business of Mondi Foods suffered from the apple surplus and fruit supply problems from eastern Europe.

The European seafood business was the group's star performer. An improved harvest of cockles and mussels helped increase operating profits from £5.41m to £9.44m.

The North American fresh produce operations saw operating profit fall from £6.69m to £5.06m. Although market conditions remained depressed at the beginning of the period, with margins still under pressure, there were first signs of recovery early this year.

The group also announced that it has sold Grossman, a US distributor of paper and plastic disposable products, to the US distribution arm of Buzini, the UK paper company, for about \$10m (£5.4m).

Mr Walls said the group would continue to seek better synergy among its activities, increase efficiency and strengthen its market position - particularly in areas which offered higher margins than pure commodity businesses.

Earnings per share increased from 1.15p to 2.66p. The interim dividend is held at 1.85p.

See Lex



Stephen Walls: appointed full-time executive chairman

Spring Ram attracts critics

By Jane Fuller

SPRING RAM, the kitchens and bathrooms group, finally brought out its annual report and accounts yesterday, with several more items under the "notes to the accounts" heading.

The document was read with particular interest by analysts, because the group blamed its sharp fall in 1992 profits - the first setback since its flotation in 1983 - on a change in accounting policies and pressure for a conservative approach.

The report includes a proposal that Arthur Andersen be reappointed as auditors on May 21.

The board had engaged in much haggling with the accountancy firm prior to bringing out a pre-tax profit figure of £36.2m, a third less than expected.

The extra work earned Andersen higher auditing fees of £170,000 (£140,000) and an additional £391,000 (£136,000) on non-audit fees.

A few of the new notes, however, were criticised by analysts for not showing 100 per cent conservatism: for instance, the carrying forward of some marketing and business development costs and the capitalising of interest on some investment in fixed assets.

There was also quibbling over the group's claim to having year-end net cash of £10m, because the figure excluded £4.74m owed in non-bank loans and £6.52m in bills of exchange.

Mr Stuart Greenwood, the finance director who has resigned over accounting controversies at the group but is carrying on until a replacement is found, said these items were partly to do with tax and partly trade credit.

On the accounting policy questions, he commented: "Some would say not everything is conservative, but I think the accounts are substantially prudent."

Clark's shareholders urged to reject Shoes

By Maggie Urry

SHAREHOLDERS in C&J Clark, the private shoe company which has received a takeover proposal from Berisford International, the property and food group, were yesterday sent a letter from a group of shareholders urging serious consideration of the bid.

The letter is from Mr Hugh Clark, Mr Michael Clark and Mr David Edwards, and is in part a response to a letter from Shoes, a group of "shareholders opposed to enforced sale". The three say that the acronym is misleading as the sale depends on a vote of shareholders and is not "enforced".

It also condemns Shoes for recommending rejection of the bid without putting forward "a deliverable alternative".

Shoes also published a letter yesterday strongly recommending shareholders not to vote for the bid and promising a fuller letter next week containing details of what it considers to be a viable alternative.

Shareholders will vote on the future ownership of Clark at an extraordinary meeting on May 7. Before then there will be a resolution to sell the company's business and assets to Berisford.

If that is passed Berisford will make an offer worth £13p in cash, shares or loan notes, and a further 25p of cash to be raised from the sale of surplus properties. If the offer fails to win 90 per cent acceptance, Clark can revert to the plan of selling the business to Berisford.

Restructuring costs hold Etam to 3% improvement

By Roland Rudd

THE ABSENCE of defence costs helped Etam, the fashion retailer, to report a 3 per cent increase in pre-tax profits for the year ended January 30.

Profits rose from £10.7m to £10.9m on increased sales of £221m (£213m).

Last year Etam spent £1.2m on successfully repelling a 185p share bid from Oceana Investment Corporation of South Africa, which acquired a 34 per cent stake. Etam's shares yesterday rose 10p to 228p.

Operating profits slipped to £11.8m (£11.9m). Mr Keith Miles, finance director, said: "I hoped it could have been a better year but we are only just coming out of the recession."

Mr Miles criticised the decision of Oceana to show 34.4 per cent of the company's profits as its own. "They should not have equity accounted since

they have no influence on us whatsoever."

Equity accounting requires a shareholder to have "significant influence" over the company in which it has a holding. Etam has refused Oceana's request for boardroom representation.

Etam, which caters for women and girls, is getting out of its loss-making mens' wear division which accounted for less than 5 per cent of sales. This resulted in a £431,000 restructuring charge.

The loss on disposal of fixed assets, which included withdrawing from a shop with high rent, was £762,000 (£552,000).

Capital expenditure increased to £12.6m (£3.1m) while net assets rose to £76.1m (£73.9m).

Earnings per share were 10.25p (£9.42p). The proposed final dividend is raised to 5.25p giving an increased total of 6.9p (6.6p).

COMMENT

Etam had taken the precaution of making sure its somewhat disappointing results came as no surprise. The difficult second half led to higher mark-downs, resulting in lower operating profits. The future looks more promising. It has now taken a number of steps to improve the bottom line, including closing the loss-making mens' wear operations and withdrawing from a shop charging an exorbitant rent. With continuing uncertainty in South Africa, Oceana is unlikely to sell its 34.4 per cent stake, which is just as well for Etam since it would not want it sold to a UK predator. With the end of the recession in sight the group is forecast to make full year pre-tax profits of £14.5m, giving earnings per share of 13.9p. The shares look fairly priced on a prospective multiple of 16.2.

Sprat seeking new strategy

By Philip Coggan, Personal Finance Editor

SAVE & PROSPER Return of Assets Investment Trust is asking shareholders for approval to alter its investment strategy and change its name to the Fleming Geared Income & Assets Investment Trust.

Sprat was founded in 1984 to invest in fixed proportions of three unit trusts, also managed by Save & Prosper. It has a split capital structure, with ordinary and participating preferred shares, and warrants.

The preferred shares initially paid a 7 per cent dividend, which will increase by 0.7p per year until 1993. When the trust is wound up, sometime between 2008 and 2010, the pre-

ferred shares will receive 100p, plus 10 per cent of the growth in assets.

The nature of the preferred shares means that the return to ordinary shareholders is highly geared to assets and dividend growth.

Things went well during the 1980s when assets and dividends achieved strong growth. But in the 1990s recession, many companies have cut their dividends and this has led the unit trusts in which Sprat invests to plan cuts in their distributions.

The result will be a substantial cut in the earnings attributable to the ordinary shares, with the managers estimating that earnings per share will fall from 6.3p in the year to end

May 1993 to 0.5p the following year.

However, the trust is unable to take any action to mitigate this problem because of the fixed nature of the investment policy.

Accordingly, the board proposes that the trust should cease to invest in unit trusts and should invest directly in equities. The board believes that this change will give the trust flexibility, enhance prospects for capital and dividend growth and reduce the expected fall in earnings per share.

The directors expect to maintain the total dividend on the ordinary shares at 7.5p this year and, if the proposals are implemented, expect to pay a dividend of 2p next year.

Yorklyde share price jumps 25p

Shares in Yorklyde jumped 25p to 408p yesterday as the fine woolen and worsted cloth maker announced a 45 per cent growth in pre-tax profits and a 1-for-1 scrip issue.

On turnover ahead 18 per cent at £13.3m (£11.3m) profits for the year to January 31 rose from £1.52m to £2.2m.

Earnings improved to 31.2p (21.2p). The final dividend is 6.4p for a total of 10.4p (8.7p).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Current dividend	Current dividend	Total for year	Total for year
Abstract New Euro	0.3	July 9	0.3	0.3	0.3	0.3
Austin Reed	3	July 1	3	6	6	6
Etam	5.25	June 2	5.1	6.9	6.6	6.6
Emcor Dual Test	2.6	June 7	2.6	10.55	10.55	10.55
Fisher (Albert)	1.85	July 15	1.85	3.75	3.75	3.75
Gowat Strategic	2.65	June 18	2.65	6.75	6.75	6.75
Liberty	6.35	May 28	5.35	7.2	7.2	7.2
Low (William)	2.7	June 4	2.7	8.4	8.4	8.4
Procter & Gamble	6	July 7	13.5	12	19.5	19.5
R&M Geared	3.325	June 18	3.325	7.525	7.525	7.525
Wembley	nil	nil	0.9	0.2	1.0	1.0
Yorklyde	6.4	July 1	5.7	10.4	9.7	9.7

Dividends shown pence per share net except where otherwise stated. \$USM stock. *Making 5.1p to date.

Wembley deficit widens to £12m

By Richard Gourlay

WEMBLEY, owner of the north London stadium, fell further into losses last year weighed down by the cost of its high debt and a stagnant market.

Pre-tax losses rose from £8.4m to £12m on sales up 13 per cent at £191.4m. Losses per share fell from 7.9p to 5.9p after adjusting for the bonus element of the rights issue in February last year.

The board is not recommending a final dividend and does not anticipate making a payment until there is "significant" improvement in profitability.

Wembley also revealed the identity of the investor group behind Oryington Investments, which has appeared on the share register with an 11 per cent stake after buying part of the 16 per cent stake owned by United Dutch.

The group is Rolaco Holdings, a Swiss-based company that has stakes in companies like the Kempinski hotel group and Club Med.

United Dutch, once Wembley's largest shareholder, filed for bankruptcy protection in the Netherlands in March.

Sir Brian Wolfson, chairman, said trading conditions had remained tough in 1992. The group would be re-focusing on

the management of other international venues.

Interest charges fell to £14.4m (£15.9m) as rates declined and debt was repaid. But with £140m (£160m) of debt gearing is 80 per cent in spite of the rights issue.

Wembley also took a £13.4m exceptional charge for the costs of restructuring and refinancing the bank debt. There were also £21.3m of extraordinary charges relating to losses on sale of assets.

At the trading level profits grew 5 per cent to £15.8m. At the stadium complex, profits rose to £6m (£4.3m). Perimeter advertising in the stadium fell, however, and the Arena held only 148 events compared with 180 in 1991. Greyhound racing profits fell to £5.4m (£7.9m).

COMMENT

Nobody could ever accuse Sir Brian Wolfson of lacking enthusiasm. Unfortunately, with the exception of the upgrading of the core stadium complex, many of his group's ventures have been less than successful. Hence gearing of 80 per cent and the current focus on asset disposals. It must come as some relief, therefore, that Wembley's latest efforts focus on leveraging the Wembley name by bidding to manage other people's stadiums -



Sir Brian Wolfson: Trading conditions remained tough

an activity that should not require a great deal of capital. In the absence of a really strong recovery in the UK, the area offers a dim but nevertheless real ray of hope. The real question remains whether Wembley can reduce its debt. For this it requires the sale of

the US greyhound operation, unfortunately dogged last year by an outbreak of kennel cough. Without such sales, Wembley will remain a speculative play, caretaker of one of the UK's most recognisable assets but perilously close to the banks' problem lists.

GERMAN CITY ESTATES N.V.

established at Amsterdam

Notice of the annual general meeting of shareholders of German City Estates N.V. to be held on Tuesday 11th May 1993 at 14.00 h. at the Hotel de l'Europe, Nieuwe Doelenstraat 2-5, Amsterdam.

Holders of bearer shares as well as usufructuaries having the right to vote, who wish to attend the meeting, are required to deposit their proof of ownership at Internationale Nederlanden Bank N.V., De Amsterdamse Poort, Bijlmerplein 888, Amsterdam, at H. Wessels & Co B.V., Nieuwe Doelenstraat 10, Amsterdam or at the office of the Company, Concertgebouwplein 11, Amsterdam, not later than 3rd May 1993.

Shareholders who wish to be represented by power of attorney are required to deposit a written power of attorney at the office of the Company or with the banks mentioned above, not later than 3rd May 1993.

The agenda for the meeting and copies of the 1992 annual report and accounts are available and can be obtained free of charge as of to-day by shareholders and others entitled to attend the meeting at the office of the Company or at the banks mentioned above.

Amsterdam, 23rd April 1993
The Board of Directors

INTERNATIONAL DEPOSITARY RECEIPTS REPRESENTING SHARES PAR VALUE \$2.50 COMMON STOCK J.P. MORGAN & CO. INCORPORATED

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The contents of this statement, for which the directors of Nottingham Group Holdings Limited are solely responsible, have been approved for the purposes of the Financial Services Act 1986 by Coopers & Lybrand as a firm authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

كتاب التوصل

RECRUITMENT

JOBS: Advertised demand remains on the downpath for most types of executive staff in Britain

WHEN it comes to conjuring up mental visions of terror, the poet Samuel Taylor Coleridge had few equals let alone betters. As an example, witness the picture he draws, in *The Rime of the Ancient Mariner*, of...

...one that on a lonesome road
Doth walk in fear and dread,
And having once turned round walks on,
And turns no more his head;
Because he knows, a frightful fiend
Doth close behind him tread.

All of which suggests the horror Coleridge must have felt at the spectre of his country being run by a certain set of people. Those he had in mind – and beside whom, he said, “the worst form of aristocracy would be a blessing” – were “a contemptible democratical oligarchy of glib economists”.

Fortunately, although economists have bred copiously in Britain since his death in 1834, they haven't quite taken full control of the country yet. In the meantime, however, Brits who believe their economy is now recovering from recession might like to ponder the implications of a lesser spectre: that of industry and commerce eventually being run by computing specialists in harness with sales and marketing folk.

After all, portions of said development are to be found in the table alongside. As on previous occasions, it gives the results over the past five years of the MSL International consultancy's counts

The hoped-for sparklers fail to show

of jobs for managers and higher-ranked specialists which are advertised in the United Kingdom's weightier journals. Each post so offered is counted as just one, no matter how many times the ad for it appears in various organs.

The upper part of the table focuses on the 12-monthly period to March 31, showing first the number of advertised

openings in eight broad categories of executive-level work, then the total. Below that come the all-categories tallies for each quarter of the period.

Now in all the years I have been reporting MSL's figures, I'd never been keener to see the latest three-monthly count. The reasons were twofold, the first dating back to six months ago.

It was then that, after what seemed like ages of unrelieved decline in every niche of the advertised market, a bright spot suddenly appeared. Demand in the sales and marketing category, having repeatedly plumbed ever lower depths, rose by comparison with the 12 months before. The next tally which came three months ago showed not only that the

said rise was continuing, but that it had been joined by an upturn in computing.

With those two improvements in the bag, my second reason for being eager to see the latest figures lies in the seasonal pattern the counts have taken since the consultancy began them in 1958. Almost always, January-March has been the best quarter for demand in the calendar year. So I was expecting to find plus-signs also sparkling beside further categories of work.

Alas, as may be seen, they have not appeared. Hence, if UK industry and commerce are emerging from recession, they are evidently doing same without need to advertise for increased supplies of any executives except computing, and sales and marketing types.

That has not stopped MSL's chief executive Garry Long from greeting the count with glad heart. Focusing on the jump between the two latest quarters, from 2,936 posts of all types in October-December to 3,955 in January-March, he says: “These figures are particularly encouraging because they signal an increase in recruitment at managerial and executive level – a sure sign of investment for growth.”

I fear I disagree. True, the quarter-to-quarter jump is marked. At 34.7 per

cent, it compares with an average rise of 20.3 per cent between those same two quarters over the years since 1980. But the 3,955 is still 2.5 per cent down on the 4,058 jobs advertised in January-March a year ago, a period when the market seems likely to have been depressed by employers' anxieties about the forecast Labour win in the April election.

If so, then the at least short-term relief when the Conservatives prevailed may have released pent-up demand and distorted the seasonal pattern for 1992. Accordingly, in an attempt to adjust for same, I have traced back to 1980, comparing the January-March periods with the average for all three preceding quarters of the year before.

By that yardstick, the latest 3,955 does not represent a jump of 34.7 per cent, or indeed one of marked degree at all. It works out at 14.8 per cent against a 13-year average of 14.5.

Even so, while computing and the sales area may be the only beneficiaries of an upturn in the advertised market, there may still be a rise in recruitment of other types by different means. After all, as a result of wholesale sackings, many able executives have signed up with agencies which keep registers of available staff. So it may be that employers are filling their needs from such sources rather than by advertising until the agencies' stocks run low.

Michael Dixon

UNITED KINGDOM ADVERTISED DEMAND FOR MANAGERS AND HIGHER SPECIALIST STAFF (12 months to March 31)										
Category of work	1992-3		1991-2		1990-91		1989-90		1988-89	
	Posts adver- tised	Change from 91-92 %	Posts adver- tised	Change from 90-91 %	Posts adver- tised	Change from 89-90 %	Posts adver- tised	Change from 88-89 %	Posts adver- tised	Change from 87-88 %
Research, design & development	1,191	-23.5	1,556	-45.4	2,849	-23.8	3,738	-14.1	4,353	+24.0
Sales and marketing	2,615	+17.8	2,220	-15.6	2,630	-24.4	3,480	-32.6	5,164	-19.0
Production	2,096	-15.3	2,476	-42.1	4,276	-26.6	5,823	-20.3	7,309	+17.1
Accounting and finance	2,563	-19.5	3,182	-28.7	4,462	-32.3	6,586	-13.3	7,602	+2.5
Computing	1,176	+34.9	872	-53.4	1,870	-37.6	2,999	-38.5	4,078	+31.5
General management	796	-16.5	953	-21.4	1,213	-8.3	1,323	-15.2	1,561	-5.9
Personnel	357	-17.2	431	-30.8	623	-41.4	1,063	-4.7	1,115	-0.2
Others	3,499	-8.4	3,820	-33.4	5,739	-18.5	7,044	-11.0	7,912	+14.1
Total over the 12 months	14,293	-7.8	15,510	-34.5	23,662	-26.2	32,058	-19.8	39,894	+6.8
Quarterly counts:										
April-June	4,023	-5.0	4,235	-44.6	7,641	-16.7	9,176	-13.4	10,593	+23.2
July-September	3,379	-6.9	3,630	-40.8	6,131	-22.0	7,858	-15.8	9,336	+12.9
October-December	2,936	-18.1	3,587	-32.5	5,318	-19.8	6,627	-26.8	9,048	-2.2
January-March	3,955	-2.5	4,058	-11.2	4,572	-45.6	6,397	-23.1	10,915	-2.7

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REPRESENTATIVE

THE ACADEMY OF
FINANCIAL STUDIES
SUITE 312
COPPERGATE HOUSE,
16 BRUNE ST.
LONDON E1 7NJ
TELEPHONE 071 7217876

Senior Corporate Dealer

to £60,000

A major International Bank currently has an opening for a Senior Corporate Salesperson to complement their existing team. The incumbent is likely to be aged 30-35 and currently employed within a major institution in a multi-product (FX, M&M, O&B) sales role, ideally concentrating on developing UK Corporate accounts.

Senior Spot Cable Dealer

to £80,000

A first class International bank currently seeks to recruit a senior spot cable dealer to complement their existing high calibre trading desk. The ideal candidate aged 27-32 will have gained a minimum of five years experience trading interbank to include at least two years on spot cable. In return the bank offers a first class opportunity with genuine career prospects for the suitable candidate.

Currency Options Sales

to £40,000

A well regarded European bank currently has an opening for a specialist sales person in their derivatives area. The appointee aged 25-30 will ideally be of graduate calibre and possess at least eighteen months experience marketing currency options and advising on trading/hedging strategy.

Corporate Dealer

to £40,000

Our client, a well regarded European bank, currently seeks to recruit an additional corporate dealer. Applications are invited from individuals aged 25-32 who possess at least two years experience developing a portfolio of UK corporate clients, together with a thorough knowledge of foreign exchange, treasury and off balance sheet products.

For further details please contact Steve Cartwright either by telephone or in writing.

GORDON BROWN & ASSOCIATES LTD RECRUITMENT CONSULTANTS
5th FLOOR, 2 LONDON WALL BUILDINGS, LONDON EC2M 4PP. TEL: 071-628 7601 FAX: 071-638 2738



Gordon Brown

COMMERCIAL LAWYER

To bring commercial vision as well as legal competence to the development of a substantial insurance operation

Up to £50,000, car + finance sector benefits

London

The growth of the regulatory framework under which insurance companies operate, and the potential impact of EEC requirements, creates both obligations and opportunities. Clear commercial advantage stands to be gained from astute product and business acquisitions, and from cooperative ventures. This company, long established in the UK, with current business based on a mix of commercial and personal products and profits pursued before market share, is determined to be in the van of such developments. This new job, which includes formal Company Secretarial responsibility, has been created to steer the executive management team (particularly the Chief Executive and Finance Director) through the legal implications of such growth and diversification. There is therefore a clear need for experience in mergers and acquisitions, a solid grasp of contractual issues and a genuine sensitivity to business development. We take a Law degree and legal qualifications for granted, but our best candidates will demonstrate the communication skills which will enable them to convey technical issues to non-technical colleagues. The maturity to operate easily with a peer group whose strength is based on long experience as well as pure ability is important, so we expect candidates to be around forty, and to have the inter-personal skill to optimise their professional strengths. Please send full career details, quoting reference WE 3145, to Dave Denny, Ward Executive Limited, 4-6 George Street, Richmond-upon-Thames, Surrey TW9 1JY.

WARD EXECUTIVE

LIMITED
Executive Search & Selection

مكتبة التوثيق

Global Derivatives Network

Creation of a new swaps subsidiary in London

Our client is one of the world's largest financial institutions. It provides a wide range of services and products to its customers through a network that spans five continents. The focus of its treasury operation has been on product development and, as a result of the Bank's continuing expansion in the field of swaps and other fixed income derivatives, they now wish to establish a unit in London to complement

their existing operations in both New York and Asia. Therefore, they seek a trading and marketing team, along with a systems operations and administration function. This drive to create a global network provides a rare opportunity for high calibre individuals to join this specialist operation in a variety of roles. Suitable candidates will be expected to become an integral part of this highly motivated international team

SENIOR SWAPS MARKETER

Suitable candidates will be responsible for the marketing of all derivative products generated by the global network to clients in the UK and Europe. An existing client base is required, but the role will also include the development and expansion of the distribution capability. Candidates will have a minimum of five years swaps marketing experience to the UK and/or Europe and proven client development skills. You should also have a strong academic background preferably in a mathematical discipline and exhibit a high degree of technical derivatives knowledge.

SWAPS TRADER

The team will require a trader with an established record and reputation in both interest rate and currency swaps. Knowledge of other fixed income derivatives such as FRAs, ERAs, caps, floors, collars and swaptions would be desirable. The role will also encompass maintaining the global trading book, identifying trading opportunities and servicing customer enquiries. Candidates will have a minimum of three years swaps trading experience combined with a strong academic background preferably in a mathematical discipline. You should also exhibit a high degree of technical derivatives knowledge combined with an analytical and quantitative approach.

Candidates for all these positions should have the ability to work well within a team. Strong interpersonal and communication skills are prerequisites. Competitive remuneration is offered in accordance with the position and level of experience. It should be noted that individuals with an understanding of the legal and credit aspects of a swaps operation may also be required.

OPERATIONS MANAGER

This role will incorporate the day to day management of operational reports and controls including liaison with the New York operations staff. Candidates, ideally degree educated, will have a minimum of five years practical settlements and operations experience at a senior level in the derivatives operations team of a major financial institution.

FINANCIAL CONTROLLER

In conjunction with the operations manager, you will be responsible for all accounting controls for the unit. Probably professionally qualified, it is essential that you have approximately three years experience of treasury accounting, including exposure to derivative products and exhibit a high level of competence in accounting principles.

SYSTEMS

Candidates should have the ability to manage derivative product systems and work with a minimum of supervision in order to maintain the network. You should have strong mathematical and computing skills combined with experience of utilising current techniques and software for risk management in the derivatives market. Knowledge of Unix work stations for local area networks is desirable.



Michael Page City

International Recruitment Consultants
London Paris Amsterdam Brussels Düsseldorf Sydney

Individuals with the drive and ambition to make a success of this new London operation and who would like to be considered for the above positions should contact Kay Overden either by telephone on 071 831 2000, fax on 071 405 9649 or write enclosing a full curriculum vitae, referencing the position that is of interest, to Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH.

Fund Management

MBAs/Business Graduates/Post Graduates London £40,000 Package

Our client is a leading ERISA fund manager which provides an extensive range of passive fund management products to its broad range of US pension fund clients. An opportunity has arisen for a mature MBA/business graduate to join the firm to train as a portfolio manager.

Candidates should be graduates in an economics/business related discipline or MBAs. However, individuals with a degree in maths/science may also be considered. Ideally you will have a sound understanding of economics and at least a theoretical understanding of equity markets preferably combined with hands-on

experience in a financial environment. Naturally quick to learn, you should be both flexible and adaptable to gain the most from the training provided. A high level of interpersonal skills are as essential as mathematical skills and computer literacy.

This is an excellent opportunity for an individual to make a first move into fund management. If you wish to be considered for the role please write to Paul Wilson, explaining how you fit the profile, enclosing a curriculum vitae to him at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH.



Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Düsseldorf Sydney

Compliance Manager

London

Our client, a leading U.S. investment firm with a global presence, is now seeking to recruit a Compliance Manager to join its Equity Compliance team. The firm is at the forefront of financial innovation and has a worldwide reputation in the equities market and their related derivatives.

The successful candidate will report to the Equity Compliance Manager and will primarily assist the Equity Division in compliance with U.K. and European legislation, SFA and overseas legal requirements. The Equities business comprises sales, trading and new issue activity across a wide range of products including cash, derivatives, convertibles and warrants, for a range of clients including private client business.

The position will be particularly attractive to individuals of graduate calibre, possibly with a professional qualification. Candidates must have a proven track record in the compliance area or within a related regulatory environment. A good working knowledge of SFA and exchange rules is essential. Personal qualities include the strength of character and flexibility required to deal with a demanding environment.

Interested applicants should contact Anna Williams on 071 831 2000 or write to her including a full curriculum vitae and details of their current salary package at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH.



Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Düsseldorf Sydney

QUANTITATIVE FUND MANAGER

A role calling for technical expertise matched by natural presentation skills

Excellent banking package + car - London

Our client is a highly regarded fund management company dedicated to the provision of advanced quantitative management techniques to institutional clients. Their success has been based on long-term performance and a high level of client service.

A position exists for a Quantitative Fund Manager who will manage key portfolios, be involved in research and play a front-line sales and marketing role. It is an exciting opportunity for a graduate quantitative fund manager with around five years' experience in UK equities.

Your technical expertise must be complemented by excellent communication skills and a natural talent for presenting complex ideas to non-specialists.

Are you ready to channel your knowledge and your expertise into a more stimulating and promising environment? If so, please write with a full cv, stating any companies to which your application should not be sent, to: T G West, Managing Director, Confidential Reply Handling Service, Ref: 664, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.

ASSOCIATES IN ADVERTISING

FREUD LEMOS LIMITED

The firm, an SFA member, specialises in the provision of advice on financial strategy and the placement of debt securities. It welcomes applications from persons who have produced work of excellent quality and who have confidence in their independent ability to achieve results. It offers a stimulating environment, unhindered by the departmental divisions of larger organisations, for the development of new ideas as well as the opportunity to contribute significantly in the service of a distinguished and expanding client list.

Interested persons may write to David Freud or George Lemos at 36 Great James Street, London WC1N 3HB.

Their confidence will be strictly respected.



RIYAD BANK

OPPORTUNITIES IN SAUDI ARABIA FOR COMPUTER AUDITORS

RIYAD BANK, one of the largest and most prominent banks in the Middle East with a network of over 170 branches in Saudi Arabia, has embarked on a new strategic system plan to enhance the Bank's competitive position. This exciting and challenging activity will see the introduction of several advanced software banking packages. Pro-active audit of the installation, implementation, conversion and testing is essential to reliance on operation of controls in these systems. Applications from candidates who exceed the minimum requirements below will be welcomed.

COMPUTER AUDITORS

Minimum Requirements:

- Degree of professional level education (may be waived for exceptional candidates)
- 4 years experience in Banking Applications
- 2 Years in Computer Auditing
- Good computer technical background

In addition to inspecting new banking packages, the range of duties for this position includes auditing and reporting on security and control deficiencies in existing Banking applications, installation reviews, networks, LANs, and electronic banking products.

This position includes the following:

- Competitive Base Salary
- Married Status - furnished western style accommodation
- Transportation Allowance
- One Month Annual leave
- Annual round trip airfare for employee and family
- Medical care and other benefits, by Banking policy.

Qualified candidates please respond to: Box A4754, Financial Times, One Southwark Bridge, London SE1 9HL.

EUROPEAN SALES MANAGER

U.S. manufacturer of centrifuge replacement parts, seeks individual who will be responsible to work with existing sales agents, develop new agents and direct sales, primarily to processing plants in Europe. This individual must have solid background in industrial sales throughout Europe. Multi-lingual (German and English) and currently residing in Central Europe. Sales management and technical education desirable.

Write to Box A4960, Financial Times, One Southwark Bridge, London SE1 9HL.

Portfolio Manager Private Clients

Julius Baer Investments Ltd. is the UK investment management subsidiary of a long established and respected Swiss banking organisation.

An opportunity has now arisen for an experienced private client portfolio manager whose role will be to provide a high quality service to wealthy UK and international private clients. Ideally, you will be a self-starter with an established track record at a recognised institution. You will also have the personal drive and range of contacts to grow a substantial client base. Language abilities, while desirable, are not an essential requirement.

The remuneration and benefits package will be commensurate with the ability and quality of the successful candidate.

If you are interested please write in confidence enclosing a full curriculum vitae to:

Mr. Jonathan C. Minter, Managing Director
Julius Baer Investments Ltd.,
Bevis Marks House, Bevis Marks, London EC3A 7NE

JB&B

BANK JULIUS BAER

For the Fine Art of Swiss Banking

arbitrage fund management

A brand - new \$50 million arbitrage fund adviser based in the UK seeks trading & support staff. Equitable House Investments Ltd, led by Dr. M Desmond Fitzgerald, will act as sole trading adviser to two new US-based arbitrage partnerships in association with a major US arbitrage group.

Equitable House will be active in all areas of arbitrage trading, concentrating on relative volatility trading in fixed interest, equity and commodity derivatives.

It is looking for the following staff, with wide derivatives/cash market experience. Salaries are competitive. Prospects for performance-based remuneration are excellent:

Traders and Support Staff

Senior Traders: Experience needed of structuring and dealing arbitrage products, exchange-traded and OTC instruments, including exotics.

Traders: Must have experience of exchange and OTC execution, pricing, and knowledge of a wide range of markets - fixed income, equities and commodities. Knowledge of Repo markets an advantage.

Research: One head of research/one researcher required with experience of arbitrage/quants trading techniques.

Administration: One manager responsible for the middle office plus clearing and settlements staff.

Please reply with full career details to:

Aison Mather
Unique Consultants
1 Greenhill Rents London EC1M 6BN

THE PENINSULA HONG KONG



The Peninsula Hong Kong, one of the world's most renowned hotels is currently seeking a

DIRECTOR OF MARKETING.

The successful candidate will direct all areas of the marketing operation including sales and public relations at a time when The Peninsula is preparing to enter an exciting and challenging new chapter in its legendary history with the opening of a thirty-storey extension in Spring 1994.

Those interested in a once in a lifetime opportunity should write to:

Mr. Felix M. Bieger
General Manager
The Peninsula,
Salisbury Road,
Kowloon, Hong Kong.



The Leading Hotels of the World

FUND MANAGER JAPANESE EQUITIES

Permanent position
Montréal

Salary + Bonus
+ Benefits
+ Relocation Assistance

Largest Canadian Institutional Investor

The Caisse de dépôt et placement du Québec manages assets totalling more than CA \$41 billion (£22 billion), including the largest equities portfolio in Canada. It uses a variety of financial instruments: bonds, shares and convertible securities, mortgages, real estate, short-term securities and synthetic and derivative products. It is located in Montréal, a first-class financial centre.

Reporting directly to the Vice-President - International Stock Markets, the Fund Manager shall be responsible for setting up and managing the in-house Japanese/Asian equities portfolio and shall also participate in the global asset allocation of international equities.



demonstrate strong skills in financial analysis. A working knowledge of French is also required upon hiring or may be acquired within a reasonable period thereafter.

The successful candidate shall possess a university degree, preferably in Finance, with a minimum of five years experience in Japanese/Asian equities, two of which as a fund manager. This person should

In addition to the basic salary, competitive pension and insurance plans are offered as well as a bonus program based on portfolio performance. Travelling expenses during the selection process as well as certain relocation expenses upon hiring shall be paid by the Caisse.

Applicants interested in taking up this challenge should forward their CV in confidence to:

Direction des ressources humaines
Caisse de dépôt et placement du Québec
1981, avenue McGill College
Montréal (Québec) Canada H3A 3C7
We offer equal employment opportunities.

AUSTRALIA CHIEF EXECUTIVE OFFICER CHIEF ANALYST Productivity Improvement Consultancy

Our client has become the world leader in Productivity Improvement Consultancy by applying the highest standards of quality to its approach to the management of projects and in the sales and marketing of its services. The success of the organization in Europe, The Americas, The Far East, and recently Australia, has led to the need to strengthen some aspects of its Senior Management.

In order to build on its potential in the Australian market, they now wish to appoint a Chief Executive Officer and a Chief Analyst.

The CEO will have a proven track record in management and sales and marketing. He or she will be instrumental in the setting, and achievement of rigorous targets and will have overall responsibility for Australia and New Zealand. This is an ideal position for a proven sales executive or senior manager in the industry who wishes to further their career.

(REF: CEO/AUS/0593)

The Chief Analyst will have had considerable experience in Productivity Improvement Consultancy and must demonstrate a high level of success in conducting analyses and securing projects. A dynamic and strong individual, you will be looking for exceptional prospects and outstanding earnings potential.

(REF: CA/AUS/0593)

Successful candidates will receive extensive training in the US and Europe.

Our client will only employ the very best and rewards success accordingly.

All applications will be dealt with in the strictest confidence. Please send a detailed curriculum vitae, quoting the relevant reference number on the envelope and CV, to the attention of the Director of Recruitment,

Litchfield Associates N.V.
Halverwege 3, 2402 NK Alphen a/d Rijn
Netherlands. Fax: (31) 1720 30526

FINANCIAL MARKET ANALYSIS & SALES Property Sector Specialist

An opportunity to develop an
exciting career in investment banking

Excellent banking package . City-based

Our client is the investment banking arm of a major financial services group. Its young property investment team is regarded as one of the best and most competitive in the city. They recognise the opportunities offered by the sector and are looking for an additional member to provide vital support to the team. You will have an extremely wide-ranging brief: researching, analysing and recommending property investment opportunities to both external clients and internal traders. Our client is not necessarily looking for an expert in property investment. They see this as a development opportunity for someone who is skilled in information sourcing, research and analysis, who can interpret financial reports and accounts, making appropriate recommendations. This

experience could have been gained in corporate finance, a management consultancy or accountancy practice. Of course, any specific experience of the property sector would be an advantage. As you will be liaising directly with external clients and also the trading floor you should be a confident, outgoing personality with excellent communication skills and the potential to take on sales & marketing as part of your role. If you have a flexible approach to your work and could tackle a steep learning curve, please write with a full CV, stating any companies to which your application should not be sent, to: T.G. West, Managing Director, Confidential Reply Handling Service, Ref 677, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.

ASSOCIATES IN ADVERTISING



RIYAD BANK SAUDI ARABIA

RIYAD BANK is Saudi Arabia's most prominent bank with 170 branches and offices in the UK and the USA.

The Bank has recently embarked on a unique and comprehensive Automation program, putting into place 'state of the Art' technical systems.

Qualified professionals with an interest in participating in and making a positive contribution towards the development of this 'greenfield' program are invited to apply for the following position.

RISK MANAGER

REF: RMI

Major technological changes are planned within the International Banking division, resulting in the most sophisticated and technically integrated systems being implemented. This is a key position for the Bank and will be reflected by a highly attractive tax-free salary and benefits package.

RESPONSIBILITIES:

- To analyse and enhance the Bank's existing approach towards Risk Management within the areas of Credit, Interest Rate, Foreign Exchange and Liquidity.
- Identify new areas of Risk within specific product portfolios and business strategies within Treasury/International Banking.
- Analyse the new technical system providing Risk Management capabilities and subsequent development of user specifications for the system.
- Develop Risk Management processes and procedures

POSITION REQUIREMENTS:

- University degree, preferably in finance.
- Extensive experience of Capital Markets and Treasury products together with associated risks.
- Experience of systematically controlling associated risks both at the front office and back office including setting up the system for counterparty, credit lines and position keeping for dealers operating in a real-time environment.
- Comprehensive knowledge of regulatory controls and trends within International Capital Markets/Treasury that impact Risk Management. This includes Credit Risk associated with derivative products, BIS guidelines and counterparty Risk weighting, netting arrangements and impact on counterparty credit lines.

Riyad Bank offers a competitive compensation package consisting of tax-free salary, medical plan, furnished western style accommodation, Transportation allowance, annual round trip airfare for employee and family.

Interested candidates should direct CVs quoting reference number and including current compensation to the following address.

Box No A4776, Financial Times,
One Southwark Bridge, London SE1 9HL

Nations Bank

ASSISTANT FUND MANAGER

London based

Salary package
negotiable

NationsBank Europe Limited, the London subsidiary of NationsBank, the fourth largest bank in the United States, seeks an Assistant to join the London Fund Management Team. Working in conjunction with the U.S. Managers and Analysts the successful applicant would cover U.S. & U.K. markets and expand coverage of emerging markets in Latin America.

Applicants in their mid-20s, educated to degree standard, with at least 3 years experience in U.S. or U.K. Equity analysis should apply, in confidence, enclosing a full C.V. indicating current salary to - Valerie J. Peachey, Personnel Manager, NationsBank Europe Limited, 14 Moorfields Highwalk, London, EC2Y 9DS.



BUSINESS DEVELOPMENT MANAGER

THE HOUSING FINANCE CORPORATION is the leading vehicle raising housing association loan finance in the capital markets. Established in November 1987, it now has a £438M portfolio of loans to 80 registered housing associations.

A further member of the senior management team is required to develop, promote and manage new business with housing association clients.

You will need: - excellent presentational skills
- ability to work as part of a small team
- understanding of capital markets
- knowledge of social housing
- the ability to co-ordinate complex transactions

Salary: - £35-40,000 subject to negotiation

Write with full CV in confidence to Barbara Ainger, General Manager, T.H.F.C., 37 Sun Street, London EC2M 2PY; or telephone 071-377 2123 for further details.

Closing date Friday 7th May, 1993.

Corporate and Forward Foreign Exchange Dealers

A leading Scandinavian bank in London, wishing to expand its presence in the FX market, seeks to recruit experienced dealers:

Corporate FX Dealer

Candidates should have 2-3 years' experience in trading/marketing FX and ideally be aged between 25-35.

Forward FX Trader

To join a small team making markets in Nordic/Scandinavian currencies. Candidates should have traded these currencies in a minor capacity and be ready to take on new responsibilities.

Applicants should be fluent in at least one Nordic language as well as English. The salary and benefits package is designed to attract and reward the best. Assistance with relocation expenses will be given to candidates from outside the U.K.

For more details please write with full C.V. and current package to:
Box No. A4921, Financial Times,
Number One, Southwark Bridge, London SE1 9HL.



EMERGING MARKETS SALES - REMUNERATION: EXCEPTIONAL

Our client is an established Fixed-Income house with blue chip European institutional shareholders, and has offices in London, New York and Zurich. The firm's success has been founded upon its ability to attract experienced, high-producing sales staff, keen to service their institutional clients in a highly professional and competitive environment. The firm is now in a position to expand its Emerging Markets team. We would therefore be interested in hearing from individuals wishing to enhance their careers within a firm which can offer exceptional remuneration packages to motivated sales people with a personal client base.

The ideal incumbent will be educated to degree level and must have a strong credit analysis/marketing background gained from within the Emerging Markets area. Fluency in at least one European language and exposure to the Middle East would be a distinct advantage. First class interpersonal skills, self motivation and a proven track record of success are prerequisites.

In the first instance please submit your C.V. to John Harrison at
Emerging Markets Search and Selection
2-9 Masons Avenue London EC2N 5BT
or call on 071-600-4744 (Fax 071-600-4717)

مكتبة التوظيف

FOREIGN EXCHANGE OPPORTUNITY

Scandinavia/Germany

Excellent salary and banking benefits - London base

Our client, a prestigious US financial services firm, is seeking an internationally experienced professional to develop its foreign exchange customer franchise in Scandinavia and German-speaking EC and EFTA countries.

You must hold a good finance degree, preferably from a major Scandinavian institution. You will have recent, relevant hands-on experience of an array of financial services with emphasis on selling Foreign Exchange related products in Scandinavia and German-speaking countries.

As part of a firm-wide globalisation strategy, you will play a critical part in developing and executing our client's Foreign Exchange business, including providing its international client base with expert analysis and sophisticated advice on hedging the currency risk intrinsic to cross-border investment.

Your proven high level of expertise in currency options will enable you to meet an especially high demand for exchange risk management strategies involving the use of derivative products. Experience in preparation and execution of strategy presentations to an

international client base, at senior management level, is a pre-requisite.

Customer development will form a key element of this role and you must demonstrate an existing corporate and institutional client base, particularly in Scandinavia.

Candidates must have a high energy level, be able to cope in a highly pressurised environment and have proven interpersonal skills.

Total fluency (both written and spoken) in English, a Scandinavian language (preferably Swedish) and German is essential.

Preference will be shown to candidates who demonstrate a combination of the pre-requisite business, language and cultural skills.

The rewards package and career development prospects are excellent.

To apply, please write with a full CV, stating any companies to which your application should not be sent, to T L Roberts, Director, Confidential Reply Handling Service, Ref 675, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.

ASSOCIATES IN ADVERTISING

PRIVATE CLIENT

FUND

MANAGEMENT



Singer & Friedlander
Investment Management
Limited

Singer & Friedlander Investment Management Limited is one of the UK's leading managers of discretionary private client portfolios.

An opportunity has arisen for an Investment Manager to join our Private Client team in Leeds.

Candidates should be educated to degree standard and preferably have a professional qualification.

A keen interest in economics and business together with the ability to demonstrate the potential to manage their own portfolios and to develop their own clients is essential.

Interested candidates should apply, in the first instance, in writing to:

Miss T Lambert
Singer & Friedlander Investment
Management Limited
31 Park Square
LEEDS
LS1 2PF

NORWAY - SALES EXECUTIVE, NORWEGIAN EQUITIES

Pareto Fonds AS is a 50/50% owned securities house of Oslobanken and the Pareto Partners. Total equity is NOK 55 Millions. Pareto Fonds holds a strong position in the domestic equities market.

SALES OF NORWEGIAN EQUITIES

Pareto Fonds AS seeks to recruit an experienced individual to undertake a demanding and rewarding role within our Oslo based equities team. The individual will be responsible for building up the sales activity in foreign markets (Norwegian equities to/from foreign investors).

You should hold an MBA or equivalent, benefit from several years experience and have a high degree of analytical and communicational skills.

For highly motivated individuals this is an exceptional career opportunity, which offers attractive remuneration packages including a performance related bonus.

In the first instance, please send a full CV - in confidence to Lill Evanger Aafos at the address below.

Pareto Fonds AS
Fr. Nanssens plass 2
Postboks 1411 Vikta
N - 0114 OSLO

Telephone: +47 22 42 20 80
Telefax: +47 22 42 60 22
Telex: 11334 OSCAP N

SECURITISATION OPPORTUNITY

Senior Position

Excellent salary and banking package - London base

Our client, a prestigious US global financial services firm, is seeking a senior internationally experienced professional to develop its European securitisation business.

You must hold a relevant Master's degree from a leading business school, together with a good primary degree in finance. You will have extensive experience of an array of financial services with emphasis on mortgage and asset backed securities finance.

By definition, this position requires at least three years' experience in asset-backed security structuring and design, investor marketing, client coverage, rating agency negotiations, new product development, research and systems design. You must demonstrate proven expertise in statistics and fixed income mathematics, together with an excellent working knowledge of the capital markets, including the government, corporate, money market, mortgage securities and asset-backed markets. Familiarity with fixed income derivatives together with substantial experience in the securitisation of fixed and floating rate

mortgages, trade receivables, equipment, leases and credit receivables is also required.

The responsibilities require extensive knowledge of rating agency requirements, credit evaluation and underwriting disclosure. Experience with APL and mainframe, workstation and microcomputer environments is a pre-requisite.

You will also play a crucial role in investor marketing, using your background in fixed income securities and portfolio analysis to advise institutional investors in credit and cash flow performance evaluation.

Candidates must have a high energy level, be able to cope in a highly pressurised environment and have proven interpersonal skills.

Please write with your CV, stating any company to which your application should not be sent, to T L Roberts, Director, Confidential Reply Handling Service, Ref 676, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.

ASSOCIATES IN ADVERTISING

ANALYSTS/ASSET/PROJECT FINANCE

Three vacancies exist for highly numerate graduate bankers aged 26-30 years skilled in spreadsheet, computer-modelling and evaluating high-value leasing/project or tax-based structured financing. Salary Neg. £30-£40,000

SENIOR

FWD/DERIVATIVE TRADER

London based bank seek a senior strategic trader of Fwd, FX and Fwds synthesised from OIS products. Experienced in European and major currencies, you will also provide a pricing service to clients and ideally have experience in developing customised products. Salary Neg.

SENIOR FUND MANAGER

Major bank seeks a dedicated stock picker for Japanese and Pacific Basin Equities. Candidates will be in their 30's, conversant with systems, portfolio theory and possess a disciplined approach. Candidates will need to be able to implement the investment policy and organise other managers on behalf of the CIO. Salary Neg.

OLD BROAD STREET BUREAU
EXECUTIVE SEARCH & SELECTION CONSULTANTS
65 London Wall, London EC2M 5TU
Tel: 071-588 3391 Fax: 071-588 3012

RESEARCH DIRECTOR

We seek a mature research analyst to take charge of our information, research and valuation activities.

Working for a small organisation operating in the financially troubled companies sector of the market, the candidate will report directly to the Chairman. Remuneration package is negotiable.

Interested candidates should send CV indicating daytime telephone number to: Box A4959, Financial Times, One Southwark Bridge, London, SE1 9HL

Napite Oy est.1962, is the leading Finnish subcontractor to the clothing industry producing buttons, buckles and other assorted items.

We are now looking for an independent AGENT who already has good contacts with the button wholesalers.

Salary based on commission.

Send English written application to:

NAPITE OY, Box 32
SF-67101 KOKKOLA, FINLAND
Fax: + 358-68-822 1113

TRAINEE MANAGEMENT POSITION (London)

To join a major new Company as part of our Management Training programme. Dynamic person sought to work within a specialist team - we provide all the training - you must be a talented achiever, aged 23-35.

Call Jason Lurie on 071 379 3488.

TARGET YOUR AIM. RECRUIT THE BEST.

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Andrew Skarzynski
Mark Hall-Smith
071-407 5754
071-407 5748

Tricia Strong
Philip Wrigley
071-407 5634

APPOINTMENTS WANTED

DERIVATIVES

MBA (Finance), BSc Mathematics
Age 26 Years
Experience in options trading/research
Knowledge of options theory and models
Strong programming and financial modelling skills (Excel and C++)
Seeks temporary or permanent opportunities
UK, Europe, USA and other countries welcome

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Account Officer

Media and Communications Group

Canadian Imperial Bank of Commerce is one of the largest North American Banks and operates in many of the world's major financial centres across a range of activities. An excellent opportunity has arisen for a Corporate Banker to join our Media and Communications Group based at our European Head Office at London Bridge. CIBC is a market leader in these dynamic industries in both North America and the UK. Media and Communications is a fast growing core business of the bank.

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CIBC offers a full competitive remuneration package, including normal banking benefits. Please send a full C.V., together with details of your current package, to the Recruitment Manager, Human Resources Department, Canadian Imperial Bank of Commerce, Cottons Centre, Cottons Lane, London SE1 2QL.



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Applications enclosing a CV should be addressed to:

Mrs Louise George
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ACCOUNTANCY COLUMN

Branding debate results in more hot air than consensus

Andrew Jack reports on moves by the Accounting Standards Board to issue new guidance on goodwill and intangibles

WHEN senior executives at Hoover last year launched a high-profile campaign to offer free flights to the US in exchange for their vacuum cleaners, they may have hoped to change the image of their brand. If so, the aim was successful - except that the image went down instead of up.

Angry customers unable to flight through the small-print and claim their tickets besieged the switchboards. Three top UK executives were branded with blame and forced to leave the company. A name so carefully cultivated since 1908 that it had become an accepted part of the English language was damaged almost overnight.

When Philip Morris decided to cut the price of Marlboro cigarettes earlier this month, it sent a frisson through companies with branded goods everywhere. The world's most valuable brand - worth \$11bn according to a recent estimate and supported by an annual \$100m marketing expenditure in the US alone - seemed under threat.

Events such as these are causing new attention to be given to the subject of brands and their valuation, just at a time when British business is holding its breath in anticipation of new guidance from the Accounting Standards Board (ASB).

It is a topic which demands attention, as a growing number of companies face the issue of how to report acquisitions and investments in their accounts, and while there is little regulation of the existing position.

The annual survey of accounts by the Institute of Chartered Accountants in England and Wales in 1990-91 showed just 2 per cent of all companies and 6 per cent of large listed companies had brands on their bal-

ance sheets. The figures in the 1992-93 edition have risen to 15 per cent and 30 per cent respectively.

These proportions might have been considerably higher had not acquisition activity dropped off sharply as the heat of the 1980s was doused by the cold shower of recession and the end of the bull market.

Now at last, after considerable delay, it looks as though the ASB is poised to deliver a missive. The latest timetable suggests delivery of a discussion draft by late summer or early autumn this year.

The focus will not be on intangible assets and brands in general, but on accounting for goodwill - the difference between the purchase price of an acquired company and the value of its net assets.

As a paper sponsored by the ASB from five academics at Manchester University last year argued, goodwill includes three separate elements: the fair value of separately identifiable intangible assets; the present value of benefits such as market imperfections; and over- or under-payment.

The new paper is likely to argue that there are three ways to deal with goodwill: to write it off over a fixed period, set it against reserves, or keep it in the balance sheet while it maintains its value.

Current thinking seems to be that the ASB is willing to accept retention of goodwill in the balance sheet as long as it is satisfied that any diminution in values can be reliably tested. This question of robustness is the problem.

The ASB is likely to recommend

adoption of the technique generally used by industry - based on projections of future cash flow. This must be verified by regularly comparing actual cash flow against that originally predicted at the time of the acquisition of an asset.

This approach is currently being "field tested" with a number of companies to see whether it can work in practice.

One is Reed International. Mr Nigel Stapleton, finance director, says: "We think it is perfectly feasible. We have been undertaking [brand valuations] for four or five years."

But opinion is strongly divided - not least among members of the ASB itself. A recent report on brands* highlighted both the variety of existing treatments of intangible assets in countries around the world and the split of expert views.

Mr Art Wyatt, a partner with Arthur Andersen and former chairman of the International Accounting Standards Committee, warned that no transaction exists to trigger recognition of brands and other intangibles, and no exchange transaction takes place to validate their measurement. He questions whether "the financial community is ready for reflection of undisciplined entries for non-events".

Mr Dennis Beresford, chairman of the US Financial Accounting Standards Board, says brand accounting is "a quail in a large storm" affecting the growing use of "soft" assets which will increasingly challenge the traditional view of the balance sheet as

simply "a repository of transaction-based hard assets and firm liabilities".

Mr Peter Cartmell, finance director at Cadbury Schweppes, said his company decided to introduce brand valuations in its 1989 accounts after some significant acquisitions for three reasons: the value of their brands was increasing and would not be appreciated by less sophisticated investors; Stock Exchange regulations were relying purely on audited accounts rather than any underlying reflection of company value shown by the share price; and lower shareholders' funds would lead to a lower credit-rating, higher financing costs and more onerous borrowing procedures.

A journal article published last winter by Christopher Napier and Michael Power from the London School of Economics poured scorn on claims in a 1982 report from Arthur Andersen - sponsored by companies which include brands in their balance sheets - that a consensus was growing on valuation.

The academics argued that the Andersen report was as much about marketing and defending the firm's own valuation techniques as about assessing the true level of consensus.

But while the theoretical debate goes on, the reality is that companies are developing and using a wide range of brand valuation techniques. Mr Michael Birkin, group chief executive of Interbrand, one of the leading brand consultancies, says that virtually all branded-goods businesses use valuation techniques for internal purposes. While many companies have held

back from reporting brand values in their accounts, they use valuations for activities including internal brand management, mergers and acquisitions, tax planning and litigation work.

Mr Birkin stresses that the Hoover and Marlboro incidents do not suggest that putting values on brands in company accounts is pointless, but rather show the need for regular revaluations.

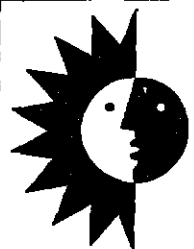
The question is how far accountancy decides to catch up with reality. Nigel Stapleton warns that any valuation techniques developed by the ASB should not depart too far from the way businesses value brands for their own purposes.

But while the ASB focuses on acquired goodwill, pressure will continue to mount on the subject of internally-generated intangibles. These include not only brands, but equally even less measurable assets such as the value of staff.

Even the academic study sponsored by the ASB recommended that internally-generated intangibles should be valued as well as those which were acquired, to ensure consistency. The ASB's own attack on the balance sheet and its definition of assets in the statement of principles appears to argue in this direction.

But personally, Mr David Tweedie, chairman of the ASB, shares Art Wyatt's scepticism on the subject. "Their measurement is not reliable enough," he says. "There has been no market transaction to prove their worth. I think one day we will consider the subject, but it may be a long way off."

*Accounting for brands. Kato Communications. Financial Times Business Information, London. (2222)



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The ITV service in the South and South East is provided by Meridian Broadcasting whose mission is to build a successful long-term broadcasting business. Meridian Broadcasting is a significant subsidiary of MAI PLC.

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If you are interested in becoming part of the Meridian team, then please send your CV, with a covering letter, to Fiona Makowski, Meridian Broadcasting, Television Centre, Southampton, SO2 0TA to arrive no later than Thursday 29 April 1993.

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ERNST & YOUNG



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Reporting to the Group Management Accountant your main responsibilities will include:

- Consolidation of monthly management accounts and cashflow forecasts, with supporting analysis
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In order to be able to undertake these responsibilities you must be able to demonstrate that you are:

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Most likely aged 25-28, you should be able to clearly show why you are seeking a Group rather than Operational level role, at this stage in your career, and have had some experience of the consolidation process.

Interested individuals should send their CV, together with details of their current salary, to Shirley Knight BA MBA ACMA at FMS, 5 Bream's Buildings, Chancery Lane, London EC4A 1DY or call her on 071 405 4161.

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KPMG Selection & Search
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مكاتب التوظيف

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- Well established American based group serving the distribution and logistics markets.
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THE POSITION

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- Experienced F.D. or Treasurer from the IT or electronics industries with thorough understanding of US GAAP.
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Age range - 30 to 40 with several years' experience in a Team Leader role or equivalent - preferably with a multi-national corporation. Ref 16655

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Food Manufacturing

Midlands

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MSL International

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For further information and an application form, please call our Answerphone on 0892 514614, Ext. 1721

Closing Date for applications is Thursday 6th May, and interviews will be held during week commencing 10th May.

The Association is striving to become an Equal Opportunities Employer.

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Accountancy Personnel, 9 East Parade, Leeds LS1 2AL. Telephone (0532) 468363.

Hays

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London

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We have a progressive career structure which we will be pleased to discuss with you.

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Finance Director

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Your profile demonstrates a consistent ability to add value. Already at Board level, you have proven business development skills. Your network with the City is well established, and your deal making skills have been tested ideally in a retail/brand orientated setting. A professional qualification together with excellent analytical and technical skills are pre-requisites. Just as important are your interpersonal and communication skills as this is a demanding, high visibility appointment.

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plus executive
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SEARCH & SELECTION

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You will be responsible for managing the accounting function of two companies - using your experience and initiative to achieve optimum levels of financial efficiency.

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You will also need company secretarial experience, good man-management skills, and the desire to get involved in the business at a very practical level.

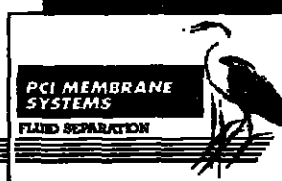
In addition, you will participate in the long-term management development of the companies by training staff and identifying ways to improve financial performance.

It's a role that will put you at the heart of business developments in the competitive world of engineered and pre-engineered water treatment.

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Please send your full CV to:

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FINANCE DIRECTOR PERTH

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The Famous Grouse, which is a market leader in the U.K., is now showing substantial growth overseas.

We seek to appoint a **FINANCE DIRECTOR** to develop the business strategy and take responsibility for all the financial, I.T., commercial and administrative aspects of the Company.

The successful candidate will have a proven track record in general and financial management with experience of international marketing and be a leader with commercial acumen and commitment to team and individual performance.

Applications, giving fullest details of education, career to date and current salary, should be sent to:

The Company Secretary,
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Director of Finance and Contracting

(c £35,000 + PRP + lease car)

The Organisation

Expecting to become a NHS Trust in April 1994, the unit provides a comprehensive range of community-based general and mental health services, including services for people with learning disabilities, for a population of around 200,000. Forecast annual contract income is £30m.

The Challenge

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The Person

Will be a qualified and widely experienced financial manager. Additionally he/she must have strategic vision and awareness, strong leadership and influencing skills, and the ability to work as a key member of the top team. These competencies may have been developed within or outside healthcare organisations, and as an equal opportunity employer, we will welcome applications from all sections of the community.

In return we can offer a first class career development opportunity and an attractive reward package, which is flexible enough to attract the right person and includes significant help with relocation to one of the more pleasant parts of the country.

Please contact Peter Drummond, Director of Human Resources, on (0482) 624049 for further details. Closing date will be 7 May 1993.

Note: This is a re-advertisement. Previous applicants need not re-apply.

East Yorkshire Community and Mental Health Services



FINANCIAL DIRECTOR

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As a result of an internal promotion, we are seeking to recruit a young and dynamic Financial Director who will be able to contribute to the profitable development of the business.

Reporting to the Chief Executive, the key aspects of the role are to develop financial plans and strategies to support the operational objectives of the company, in addition to ensuring adequate accounting and control systems are in place.

The ideal candidate will be a graduate qualified accountant with an impressive career to date, having gained manufacturing experience, preferably within the FMCG environment.

For further information please contact Trevor Heathfield on 0444 416636, or send your CV to him at the address below.

Please note that all applications will be forwarded to Heathfield Hargreaves Ltd.

HEATHFIELD HARGREAVES

Chaucer House, 6 Bolstro Road, Haywards Heath, West Sussex RH16 1BB
Tel: 0444 416636 Fax: 0444 416602

Finance Director (Designate)

Bucks

c. £60,000 + profit share

Major service-based PLC, a leader in its field, T/O £100m plus and profitable, part of international group, seeks successor to retiring FD. Member of a small executive board, this is a total finance role also covering IT and other systems, with a strong commercial content in client contract negotiation, planning, pricing, marketing liaison, support of non-financial managers and the development of the finance team. The environment is fast moving and reactive to client needs. Most new business opportunities demand innovative solutions.

Applicants must be qualified accountants aged 40 years or over, graduates or with other evidence of high intelligence (and application). Sector experience should include multi-site service operations within a disciplined multinational. Functional growth must have been to financial control of autonomous profit centre billing £100m or over. Evidence of communication skills. IT knowledge and team management is sought.

For details, apply to:
John Courtis, FCA, MIPM at 104
Marylebone Lane, London W1M 5PU
listing clearly how you meet these
criteria, also enclosing CV, stating
latest salary and quoting 7396/FT.

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FINANCIAL CONTROLLER

SOUTH DERBYSHIRE

PACKAGE TO £35K

This is an ideal opportunity for a proven achiever to join a young and highly motivated management team in a fast moving and demanding commercial environment.

Our client manufactures and markets high quality consumer goods, enjoying considerable brand awareness both within the UK and internationally. The company, which has a current turnover of £17m, was the subject of a management buy-out in 1990. It is financially strong and is enjoying a period of sustained turnover and profit growth.

Reporting to the Finance Director, the Financial Controller will be responsible for the day to day management of an established finance function, as well as interpreting and improving upon management information, developing financial controls over the company's international operations, and contributing to the general management of the business.

The right candidate will not only possess excellent technical skills and professional qualifications with at least three years post qualification experience within a manufacturing environment, but will also demonstrate a record of hands on involvement and a commercial flair and understanding reaching beyond the confines regularly associated with financial management. Prospects both personal and career wise are genuinely excellent.

Applications should be forwarded to:

A. J. Wesson Esq
Stoy Hayward
Foxhall Lodge
Gregory Boulevard
Nottingham NG7 6LH
Tel: 0802 626578
Fax: 0802 691043

FINANCE DIRECTOR

NORTH DEVON

c £40,000 plus car and
benefits

Our client, a subsidiary of a major international company, has experienced rapid growth in Europe since establishing its European base in early 1988. A Finance Director, reporting directly to the European Managing Director, is now required to oversee the company's financial systems and to manage the company's administration, DP and distribution sectors of the business.

Candidates will be in their late 30s/early 40s with experience in an f.m.c.g. environment and must possess expertise in at least one other European language.

Please reply in confidence, enclosing a full CV (with details of current remuneration) to:

Andrew J Dunkerley,
MacIntyre Advisory Services Limited,
Ashley House,
18/20 George Street,
Richmond, Surrey
TW9 1HD

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U.K. or U.S.A. Chartered Accountants are required with the following experience:

- 1- Recent experience with professional international firms;
- 2- Several years post qualification experience are preferable;
- 3- Computer audit knowledge and experience are required.

Please send your application enclosing your detailed c.v. and a recent photo to:

PERSONNEL MANAGER
P.O. BOX 784, JEDDAH 21421
SAUDI ARABIA
FAX NO. 966-2-689-5468.

YOUNG QUALIFIED ACCOUNTANT

NORTH WEST

C. £25,000 + CAR

Our client, a highly successful construction group, wishes to appoint a young qualified accountant to be based at their Head Office. Ideally the applicant will have at least two years post-qualification experience with one of the major firms.

The group is going through a structural change following a period of expansion and an opening has arisen for a young professional to join their team. It is envisaged that the position will afford the opportunity of a Directorship for the successful candidate.

Applications with full c.v. to:
John E. Holmwood,
2a Chorlton Street,
Manchester M16 9HN.

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COMMUNICATIONS LTD.

APPOINTMENTS WANTED

FINANCE DIRECTOR

Chartered Accountant FCA, late 40's,
based Paris. Fluent French.

Extensive general and financial management experience with sales and service operations of multinational companies.

Seeks challenging and rewarding position with international group. Willing to relocate.

Please write to: Box A4958,
Financial Times,
One Southwark Bridge,
London SE1 9HL

Finance Director

c£50,000 + Car
South East

This client, a leader in the commercial building sector, is a subsidiary of a top UK engineering and construction group which has a strong financial record and widespread international interests.

The Finance Director will be a key member of the Managing Director's team and will be expected to support the Managing Director with strong financial controls, the review of tenders, project financing, strategic planning and the regular evaluation of projects. There is scope to make a significant contribution to the commercial success of the business.

Applicants should be qualified accountants with a record of success in a large commercial/industrial organisation. Relevant treasury experience is required in addition to the all-round experience of business planning, tight financial control, timely reporting and sound technical financial accounting associated with the Finance Director role. Experience of the sector is not an essential requirement. There are very good career development prospects for the successful individual.

Remuneration will comprise a basic salary of around £50,000 plus large company benefits which include a quality car, executive pension scheme and relocation assistance if necessary.

Please reply in confidence quoting reference L530 to:

Brian H. Mason,
Mason & Nurse Associates,
1 Lancaster Place, Strand,
London WC2E 7EB.
Tel: 071-240 7805.

**Mason
& Nurse**
Selection & Search

CCCC

FINANCIAL CONTROLLER/ DIRECTEUR DE FINANCE

LONDON/BRUSSELS

c£45,000

Cross Channel Catering Company is a joint venture formed by major French, Belgian and UK transport and catering groups, which has been contracted to provide on-board services for the high speed trains between London - Paris, and London - Brussels via the Channel Tunnel. High quality catering for business and tourist class passengers will be offered, including at-seat service, bar-buffets and trolley facilities. Projected turnover in the first full year is in excess of £40 million.

Over 900 staff will be employed through operating companies located in London, Paris and Brussels. The initial base for this appointment will be London, with the holding company office located in Brussels. Fluency in English and French is essential; Dutch language would be desirable.

This key appointment will report to and deputise for the General Manager of the company, and will function at Board level. The ideal candidate will be a commercially aware, professionally qualified accountant with a background of successful service industry financial management. In addition to proven expertise with management and financial accounting in a dynamic, multi-national environment, candidates should have a sound knowledge of management information systems technology and a broad grasp of diverse operational functions. Diplomacy, flexibility, strong negotiation and human relations skills are some of the key attributes sought for this demanding and challenging role.

Applications should be made in writing, in English, by 17 May 1993, with full curriculum vitae and salary history, to the company's specialist advisors.

FM Recruitment, 6 Conduit Street, London, W1R 9TG, UK Fax (071) 499 2344



The Financial Management Specialists for the Hotel & Catering Industry

Finance Director/ Company Secretary

NOTTINGHAM

EXCELLENT PACKAGE

Wrangler

International Brand Leaders in the Denim Marketplace wish to recruit a dynamic and ambitious professional to head up the Finance functions for the U.K. and Ireland.

Working closely with and reporting to the Managing Director, the Finance Director/Company Secretary will play a key role in establishing and controlling the Strategic Operating Plan.

The person appointed will have a proven track record in a U.S. subsidiary or large blue chip organisation. Strong commercial awareness and previous experience in a manufacturing environment are important pre-requisites of the job.

The position requires a person with a strong "hands on" systems background and a practical approach to achieving corporate objectives and meeting critical deadlines. Excellent communication and team building skills are essential together with good leadership qualities.

Preferably F.C.A. qualified ideally aged between 35/40 with an M.B.A. and some European experience. Knowledge of either French or German would be an advantage.

Apply in writing quoting current salary to The Maggie Poppa Consultancy, 80 Richardshaw Lane, Pudsey, Leeds LS28 6BN.

Maggie Poppa
CONSULTANCY

Management Accountants & Foreign Bureau Accountant

News & Current Affairs are recruiting Management Accountants for their Programme

The Accountants will be responsible to their respective Business and Finance Managers for the provision of weekly/monthly operating statements and for advising their editors and managers on the financial aspects of their Business Unit.

Candidates should be qualified business accountants preferably with two years post qualification experience.

Experience in the media is not essential but applicants should be able to demonstrate their ability to develop systems and procedures for complex and highly reactive operations whilst maintaining a sympathetic understanding of editorial issues.

Applications would be particularly welcome from suitably qualified (or experienced) women/members of ethnic minorities who are currently under-represented at this level in News & Current Affairs.

Salary up to £30,000 p.a. on contract depending on qualifications and experience.

For an application form contact (quote ref. 12174/7) BBC Corporate Recruitment Services, PO Box 7000, London W12 7ZT. Tel: 081-748 7000. Mincem 081-752 5151.

Application forms to be returned by April 30th.

WORKING FOR EQUALITY OF OPPORTUNITY

مكتبة الانجلى

INTERNATIONAL INVESTMENT BANK CENTRAL LONDON

This leading International Investment Bank has a dominant presence in the international capital markets with principal offices in London, Paris, New York, Tokyo and Frankfurt. It has a reputation for offering unparalleled opportunities for self-motivated individuals with the ability to respond positively to the competitive pressures of a fast moving international business. As a direct result of internal promotion within their highly visible and professional Finance Function, two outstanding opportunities have arisen.

ACCOUNTANT: Foreign Exchange £40,000 + Bonus

Responsibilities will include:

- Production of daily position and profit and loss reports for senior management.
- Constant liaison with traders and back office.
- Evaluation of foreign exchange impact of new derivative products and trading strategies.
- Specific assignments at the request of senior management.

You will be a qualified Chartered Accountant, aged to 35, having qualified with a big 5 practice. You will have a successful track record, gained within an investment banking environment. An organised and systematic approach to work is essential, as is the ability to work quickly in a highly pressurised environment. You will possess excellent communication skills, and be prepared to take a proactive approach in your dealings with a variety of departments. It is vital that you have extensive PC skills. A strong technical knowledge of foreign exchange and other capital market products including all derivative products is essential.

Ref: JAV 5495

ACCOUNTANT: Regulatory Reporting £40,000 + Bonus

Responsibilities will include:

- Production and review of monthly Bank of England reports.
- Preparation of quarterly capital adequacy/liquidity/gapping reports.
- Contributing to the continuing development of systems both PC and Mainframe based.
- Specific assignments on behalf of senior management.

You will be a qualified Chartered Accountant, aged to 35, having qualified with a big 5 practice. You will have a successful track record, gained within an investment banking environment. An organised and systematic approach to work is essential, as is the ability to work quickly in a highly pressurised environment. You will possess excellent communication skills, and be prepared to take a proactive approach in your dealings with a variety of departments. It is vital that you have extensive PC skills. Previous regulatory reporting experience as well as exposure to capital markets products is essential.

Ref: JAV 5496

Both positions are assured of excellent scope for career advancement, with one of the world's most prestigious financial institutions.

Interested candidates should contact **Jon Vank** on 071-408 1312. Alternatively, you can submit a full Curriculum Vitae quoting the appropriate reference to the address below.

Marks Sattin

FINANCIAL RECRUITMENT
18 Hanover Street, London W1R 9HG.
Tel: 071-408 1312 Fax: 071-355 4501

Taxation Manager

Package to £50,000 + car

Colonial Mutual is a successful company specialising in life assurance, pensions and unit linked products, has funds under management of over £1.5 bn and employs some 2000 people in the UK.

We are seeking a Taxation Manager to take responsibility for all our taxation affairs, including Corporation Tax, VAT and the various aspects of personal taxation and NI.

The successful candidate will:

- Be an experienced tax specialist with a minimum of five years post qualification experience. Ideally, though not necessarily gained within the Life Insurance sector.
- Have excellent communication, presentation and negotiation skills, able to deal with management at senior levels and relevant external bodies.
- Be an achiever.

The post will be based in Chatham Maritime, Kent. Relocation expenses will be paid where necessary.

Please send your CV, stating how you match our requirements to: **Jan Jolly, Personnel Manager** at the address below.



COLONIAL MUTUAL GROUP

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Tel: 0491 613611 Fax: 0491 613730

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H/W

CHARTERED ACCOUNTANTS
The Positive Alternative

Financial Controller

South Yorkshire

c £35,000 + Car

Our client is a £50m turnover multi-site distributor of equipment and services to a wide range of industrial clients. Part of a major UK PLC, they seek to strengthen their present management team through the appointment of a high calibre Financial Controller.

Reporting to the Managing Director, you will assume full responsibility for the financial management of the business. More specifically your duties will encompass management and statutory accounting, the development of computerised information systems and the maintenance of strict financial disciplines and controls

within the company.

Candidates, aged 30-40, will be Chartered Accountants who can demonstrate a successful track record, preferably within a multi-site distribution environment. In addition you will need to demonstrate strong interpersonal skills and the ability to contribute significantly to the continued profitable development of the company.

Interested applicants should send their curriculum vitae to **Stephen K Banks ACMA**, quoting reference: 129174, at **Michael Page Finance, Leigh House, 28-32 St Paul's Street, Leeds LS1 2PX. Tel: 0532 450212.**



Michael Page Finance

Specialists in Financial Recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
Nottingham Manchester Leeds Glasgow & Worldwide

Finance Manager

North West

c £37,500 + Car + Bonus

Our client is a £50m turnover subsidiary of a highly regarded pharmaceutical group with a truly outstanding record of growth through acquisition and organic development. They seek to strengthen the management team of their main production unit through the appointment of a Finance Manager.

Reporting directly to the Operations Director and functionally to the Finance Director, you will assume full responsibility for the financial management of the site. More specifically you will be responsible for monthly and annual reporting, budgeting, forecasting and the control of a significant capital expenditure programme. In addition it is expected that you will play a key role in the

enhancement of costing and general information systems.

Candidates will be qualified accountants who are able to demonstrate strong track records of achievement and will ideally have experience of process manufacturing. Well developed interpersonal skills and a proactive approach are essential to make an important contribution to the future success of the business.

Interested applicants should forward a comprehensive curriculum vitae, quoting ref: 142306, to **Stephen K Banks ACMA** at **Michael Page Finance, Clarendon House, 81 Mosley Street, Manchester M2 3LQ.**



Michael Page Finance

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MADRID

c £50,000 MAS BENEFICIOS SOCIALES

Director Financiero Del Grupo

La compañía, con excelente y dilatada reputación, cotizada en la bolsa española, y con facturación en torno a Ptas. 36.000 millones (aproximadamente \$200 millones), ha sido recientemente adquirida por un importante y diversificado grupo internacional. Como proveedor de equipos industriales, es líder de su sector en España, con una amplia red de sucursales en toda la península ibérica. Esta oferta es una oportunidad ideal para un profesional del área financiera, con deseos de progresar, que busque desarrollar su carrera dentro de un importante grupo internacional.

En dependencia del Director Financiero de División, también ubicado en Madrid, sus principales responsabilidades serán las de desarrollar e implantar los sistemas y políticas contables y de información a la dirección, dentro de la nueva estructura corporativa. Se espera que contribuya activamente al cambio en la cultura empresarial, teniendo presente las necesidades tanto de la compañía local como de la matriz.

El perfil deseado corresponde a un profesional del área financiera, técnicamente cualificado, preferentemente con edad comprendida entre 27 y 35 años, que acredite una amplia

experiencia en temas contables, preferentemente obtenida en una división o subsidiaria de un grupo internacional, junto con buenos conocimientos de informática a nivel de usuario.

Deberá involucrarse activamente en todas las áreas del negocio. Así mismo, deberá contar con una excepcional capacidad de comunicación y ver en esta oportunidad un paso lógico para desarrollar su carrera profesional. Se requiere dominio tanto del castellano como del inglés.

Se ruega a las personas interesadas enviar sus datos personales y su Curriculum Vitae, en inglés, incluyendo su actual remuneración y teléfono de contacto en horario laboral a **Ann Shepherd, Coopers & Lybrand Executive Resourcing Ltd, 76 Shoe Lane, London EC4A 3JB**, indicando la referencia AS074 tanto en el sobre como en la carta. Tanto la información recibida como los posibles contactos serán tratados con absoluta confidencialidad.

Coopers & Lybrand

Finance Director

Bedfordshire

c £55,000 + Car + Bonus

Our client is a profitable, £50 million turnover, autonomous subsidiary of a US corporation, engaged in the manufacture and distribution of leading edge electronics for international niche markets. Significant ongoing investment in innovative research and development maintains the group's global market leadership.

The Finance Director will be responsible for all aspects of financial management, control systems development, international treasury and taxation. Key initial emphasis will be on strict control of working capital, further enhancement of computerised information systems and the development of a new finance team. As a member of the board, the overriding requirement is to provide commercial

and strategic contribution to the long term, profitable growth of the business.

Candidates, aged 38-48, will be qualified accountants who can demonstrate a proven record of senior financial management experience gained in a multi-site, high technology, manufacturing environment. Commercial acumen, excellent communication skills and strong personal presence, combined with drive, commitment and self-motivation will be essential characteristics.

Interested applicants should forward a comprehensive curriculum vitae, quoting ref: 6042, to **Mark Hurley ACMA, Executive Division, Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH.**



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Group Finance Director

Rapidly Expanding
UK Public Company

Essex

£60,000 + Car +
Bonus + Share Options

Our client, a publicly quoted packaging and distribution group with a leading presence in its specialist market, is poised to undergo a period of significant expansion. A highly visible management team, coupled with an entrepreneurial company culture, and strong institutional support, has been effective in producing a number of attractive business opportunities. Stock market expectations are for rapid growth through both organic development and acquisition.

There now exists a requirement to augment the senior management team with the appointment of a Group Finance Director. Reporting to the Chairman, the appointee will have functional responsibility for financial managers in operating subsidiaries. In addition to controlling all aspects of financial management for the group's operations, the successful candidate's brief will encompass extensive liaison with banks and institutional investors, the development of group financial strategies, and the planning and implementation of acquisitions/divestments.

This opportunity will appeal to a commercially orientated Chartered Accountant (aged 35-40) with an outstanding record of achievement to date. Experience of operating at a senior level within a public company environment is essential. In addition, the successful candidate is likely to be a highly effective communicator with the experience and ability to manage rapid growth.

The remuneration package will reflect the seniority of the position and will include an executive car, bonus scheme, pension and equity participation through share options.

Interested applicants should write, in the strictest confidence to Brian Hamill or Robert Walker, forwarding a curriculum vitae to our London office quoting Ref: BF 893.

WALKER HAMILL
Financial Recruitment Consultants

29-30 Kingly Street Tel: 071 287 6285
London W1R 5LB Fax: 071 287 6270

Senior Finance Executives

Excellent Remuneration Packages - London

Our client is a major multinational marketing services group seeking to fill key appointments within their important operating companies. The positions will be based in or around London although there will be opportunities for overseas travel.

The positions at Financial Controller and Finance Director level will require high calibre individuals with a successful track record in commerce. Experience of running the finance function of a marketing services operation would be desirable.

Applicants will be qualified accountants, MBAs or have similar qualifications. They should possess strong commercial acumen

and the drive to succeed and be innovative in a challenging and fast moving business environment.

The remuneration packages are excellent, offering competitive basic salaries, plus participation in short and long term incentive plans.

Interested applicants, please apply in writing, enclosing a full Curriculum Vitae to:

Carmel Mallon
Arthur Andersen, 1 Surrey Street, London WC2R 2FS

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Arthur Andersen is authorised by the Institute of Chartered Accountants in England & Wales to carry on investment business.

FINANCIAL ANALYST

Wolverhampton c.£30,000 + FE Car + Relocation

A market-leader in its core activities of housebuilding, quarrying, construction and contracting Tarmac plc is one of Britain's largest corporations, with an annual turnover of circa £3 billion.

An exciting opportunity now exists for an ambitious, hardworking ACMA/ACA to take on the high profile role of Financial Analyst within the company's key head office team, based at the Tarmac headquarters in Wolverhampton.

An articulate, "hands-on" team player, with proven analytical and spreadsheet ability and excellent interpersonal skills, your responsibilities will include providing senior management with a monthly commentary on performance and trends within Group businesses, assessing acquisition and divestment opportunities and also handling budgeting, financial planning and capital expenditure reviews.

Ideally a graduate, aged 25-32, with 1-5 years post qualification experience within a commercial environment, you should possess the ability and confidence to paint an effective picture at Board level and make a real contribution to the decision making process in all business areas.

This key role offers an outstanding opportunity for a young, go-ahead individual to liaise at senior level, with the real prospect of promotion to a Divisional role within 2 to 3 years.

Please apply directly to Tony Byrne or John Woodcock at Robert Half, 63 Temple Row, Birmingham B2 9LS. Telephone: 021-643 1663 Fax: 021-643 6170.

Tarmac

**ROBERT
HALF**
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Group Treasurer

Hong Kong
c £75,000 plus substantial benefits

This publicly listed, multinational group, based in Hong Kong, with net profit after tax of over US\$300 million, needs a forward thinking Group Treasurer who will bring increased levels of expertise and professionalism to all areas of Treasury management.

The appointment is seen as central to the strategic development of the Group. Reporting to the Finance Director, the Group Treasurer will manage a small department with particular emphasis on raising funds for all Group entities, managing bank relationships, borrowing compliance/control, cash management, foreign exchange trading/exposure and project finance.

The successful candidate will probably be a graduate Chartered Accountant and ACT member who has had at least five years' treasury and corporate finance experience within a large multinational. He/she will have an established reputation in the banking community, gained through the negotiation of major financings. Personal qualities will include excellent communication skills and the ability to readily achieve credibility both internally and externally.

Please write enclosing a full CV, quoting reference 612 to Nigel Bates, Whitehead Selection Limited, 43 Welbeck Street, London W1M 7HF.

A Whitehead Mann Group PLC company.

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EXECUTIVE SEARCH

A small successful company specialising primarily in FMCG, retailing and the service industry seeks a qualified senior person, possibly with experience in a different commercial sector to join them. The particular status of the appointment and terms by mutual negotiation.

Please write with brief details to
Lorraine Turner,
67-68 Jermya Street, London SW1Y 6NY.

APPOINTMENTS WANTED

EXPERIENCED FINANCE DIRECTOR

Proven track record with U.S. conglomerate in Europe, Africa and Middle East. Based in Brussels. Seeks challenging new assignment worldwide. Short/long term.

Write to Box A4760, Financial Times,
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ACAs/ MBAs/LAWYERS
£33,000 + Bonus +
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Charterhouse is a leading merchant banking and investment group with a strong presence in corporate finance, corporate banking, stockbroking and development capital. Charterhouse Bank has increased significantly its corporate finance market share over the last two years and continues to generate a high level of new business across the full range of corporate finance activities.

The extension of Charterhouse Bank's activities further into the major economies of Europe, with the planned ownership links between Charterhouse and substantial French and German banking groups, presents significant opportunities for expanding the business. As a result, the corporate finance department now needs to appoint up to three additional executives. Working within a structured environment and liaising to director level, the appointees will be responsible for the provision of corporate finance services to clients throughout the UK and Continental Europe. Specifically, the successful individuals will be exposed to acquisitions and disposals, rights issues, private placements, take-overs, joint ventures and corporate restructurings.

This opportunity will appeal to a commercially orientated ACA, aged 24-27 years, with a 2:1 degree or better, and first time passes in the professional examinations. Additionally, applications are invited from young lawyers and MBAs with similar profiles and academic backgrounds. One or more European Languages and some previous experience in corporate finance, management consultancy or investigations is advantageous though not essential.

The benefits include an attractive remuneration package, performance related bonus, mortgage subsidy and the opportunity to develop an outstanding career based entirely on merit.

For further information in strict confidence contact, David Craig or Robert Walker on 071-287 6285 (evenings and weekends 0790-831413). Alternatively, forward a brief resume to our London Office quoting reference DC 174.

WALKER HAMILL
Financial Recruitment Consultants

29-30 Kingly Street Tel: 071 287 6285
London W1R 5LB Fax: 071 287 6270

Group Treasurer

North West c. £55,000 + car, benefits

Outstanding opportunity for an experienced Corporate Treasurer to join a market-leading £300m t/o international manufacturing group. Working closely with the Group Finance Director the successful applicant will be expected to make a key contribution to the achievement of the company's highly focused medium term strategy.

THE ROLE

Enhance and develop treasury systems and controls to meet rapidly evolving group requirements. Manage foreign currency exposure to maximise earnings and net worth. Ensure that the group does not breach its financial covenants. Manage relationships with external advisors and debt providers in conjunction with the Group Finance Director.

THE QUALIFICATIONS

Experienced Corporate Treasurer. Qualified Accountant, probably aged 35-50. Proven expertise gained in a substantial international group with multi-currency exposure. Treasury skills ideally complemented by broadly based financial management experience. Credibility and maturity to earn respect at group board level and ensure the implementation of group policies within international subsidiary operations.

Please reply in writing to 174a Ashley Road, Hale, Cheshire WA15 9SF, enclosing a full curriculum vitae and quoting Reference RK 1055. Telephone: 061 929 9105. Facsimile: 061 929 8023.



Robinson Keane

SEARCH & SELECTION

APPOINTMENTS WANTED

INTERNATIONAL
EXECUTIVE
AVAILABLE
BA, FCMA,
MCIM

Experience in general financial and treasury management, including change management consultancy, plus extensive computer expertise. Worked for leading international public and private sector organisations, in services (financial, travel, property and engineering), consumer goods (fresh foods, cosmetics and HVAC) and trading.

Over 10 years based abroad in Middle East, Australasia and Europe, with working knowledge of French and Spanish.

Shortly completing assignment in Western Mediterranean, now seeking challenging new position in European organisation. Willing to relocate.

Please contact A Earl
phone
(010) 350 79200
or fax
(010) 350 76189
(Gibraltar)

MANAGEMENT ACCOUNTING CONTROLLER

North West c.£35k Package + Car + Benefits

With a turnover in excess of £100m, this autonomous subsidiary of a major international group has its core activity in the manufacturing of a wide range of products selling into industrial end users. Exporting approximately 75% of its production worldwide, its reputation is founded on its commitment to TQM and continued enhancement of customer service. A high calibre finance professional is now required to play a senior role in the company's on-going development.

The Role

- Control and develop a small management accounting team by encouraging a pro-active, professional approach to working practices.
- Liaise effectively with plant accountants, site general managers and overseas controllers raising the profile of finance across the Group.
- Appraise reporting methods, improving where necessary to provide meaningful, concise information for Board and senior management.
- Reporting to the UK Financial Controller. Other key functions will include enhancement of product costing methods, review of budgetary procedures and development of IT systems.

The Candidate

- Qualified CIMA, graduate calibre. Aged late 20's early 30's with a proven track record gained in multi-site, manufacturing environment.
- Excellent communicator with a determined yet controlled style. Resilient, able to work to demanding deadlines and possess strong commercial awareness.
- Talented man-manager with a constructive approach and a commitment to team development and customer care.
- Influential, able to gain respect of senior team, plan strategically whilst controlling day to day operations.

Please apply in writing, enclosing full CV, quoting reference number LBA/136.



**LAWRENCE
BARNETT
ASSOCIATES**

Charlton House, Chester Road, Old Trafford, Manchester M16 0GW
Tel: 061-877 4439 Fax: 061-877 5706

Financial Director

Oxfordshire Circa £45,000 + Car + Equity + Options

Our client is a long established, internationally known specialist textile company and the market leader in its field. It is actively pursuing a vigorous growth plan embracing product development, diversification and acquisition.

A demanding opportunity has arisen that will afford considerable scope to a Financial Director looking for challenge and growth. The role is crucial to the continued profitable growth of the business and will demand a high standard of professionalism and commercial acumen. Reporting to the Chief Executive you will be responsible for the development and management of comprehensive Financial Systems and Controls and play a central role in shaping the profitable direction of the company.

Our ideal candidate will be 35-45, a qualified accountant, with general management potential, whose experience will have been gained in a commercially oriented manufacturing environment, preferably at board level, where budget discipline and bottom line achievement count. Your experience will have exposed you to all facets of the financial management function and you will be able to demonstrate your ability to contribute to profitable growth and change. Some exposure to the textile industry would be an advantage.

Conditions will reflect the importance of the appointment and will not be a barrier to the right candidate. Assistance with relocation expenses will be paid where appropriate.

Please send comprehensive curriculum vitae quoting reference number DP/1038 to:



THE JOHN DALTON PARTNERSHIP LIMITED
4 Post Office Avenue
SOUTHPORT PR8 0US
Tel: (0704) 538776
Fax: (0704) 548912

(Applications are open to both male and female candidates)
THE JOHN DALTON PARTNERSHIP LIMITED
Management Selection & Recruitment Consultants

مكتبة التحويل

INTERNATIONAL BUSINESS OPPORTUNITY

ACA 26-28 YRS C. London Package c£40,000

We have an opportunity for an exceptional young ACA to join the high profile business audit team of a blue chip media plc. The department has a proven track record of promotion to line financial management and business planning positions.

We believe this to be the most challenging London based international audit role currently available in a fast moving consumer goods multinational. Together with peers you will be responsible for control environment monitoring of global entities spanning Continental Europe, South East Asia, Australia, United States and South America with a travel content of up to 50%.

Key challenges include:-

- * Operational and follow up reviews
- * Post acquisition reviews
- * Special projects on behalf of corporate and local management
- * Project implementation reviews
- * Identifying key risk and focus areas of the business

We are looking for a large firm trained ACA with circa 2 years post-qualified experience, first time passes, a demonstrated track record of high quality work and proven report writing skills.

While advantageous, a second language (Spanish or Italian preferred) is secondary to the ability of the person who should be tough, unequivocal, confident, tactful and able to succeed in a demanding international environment.

To find out more about this opportunity to make an impact on a successful global business, telephone Jonathan Farn (retained recruiter) on 071 437 0551 or write to him at Farn-Williams, 44 Conduit Street, London W1R 9FB. Facsimile: 071 434 4423.

MIDLANDS BASED FCA (MID 40's) SEEKS CHALLENGING ROLE

Wide industrial experience at director level, particularly multi-site distribution and turn-around situations. Hands-on, committed team builder. Equity participation considered.

Please reply in confidence to:

Box A4777, Financial Times, One Southwark Bridge, London SE1 9HL

Internal Auditor - Frankfurt -

Aufgrund unserer Expansion im "Investment Banking" Geschäft suchen wir einen jungen, engagierten Mitarbeiter zur Unterstützung unserer internen Revision. Fundierte Erfahrung im Bereich Finanz- und Rechnungswesen sowie gute Kenntnisse der Kapitalmarktdokumente sind zur Ausübung dieser Position erforderlich. Schwerpunkt Ihrer Tätigkeit wird die System- und Ordnungsmäßigkeitsprüfung im Handels- bzw. Abwicklungsbereich sein.

Als eine der führenden internationalen Investmentbanken ist Salomon an allen wichtigen Finanzplätzen der Welt vertreten. Flexibilität und Offenheit sowie internationale Atmosphäre sind wesentliche Kriterien, die unsere Mitarbeiter zu schätzen wissen.

Neben einem mit Praktikanten abgeschlossenen Betriebswirtschaftsstudium setzen wir gute PC-Kenntnisse voraus. Deutsche und englische Sprachkenntnisse sowie Teamgeist und Flexibilität sind unabdingbar. Wir stellen hohe fachliche und persönliche Anforderungen, dafür bieten wir Ihnen ein interessantes, vielfältiges Aufgabengebiet in einem jungen Team mit attraktiven Verdienstmöglichkeiten.

Interessieren Sie sich für diese Position? Dann legen wir uns auf Ihre schriftlichen und aussagekräftigen Bewerbungsunterlagen - oder rufen Sie uns einfach an: Frau Walter-Endres (069/2607-215).

Salomon Brothers AG

Wiesenhüttenstraße 10, 6000 Frankfurt am Main 1

TWO OUTSTANDING OPPORTUNITIES FOR QUALIFIED CHARTERED ACCOUNTANTS

NORTH WEST PROPERTY GROUP

£NEGOTIABLE

FINANCE DIRECTOR DESIGNATE required for an established, substantial group of property companies based in the North West.

Aged between 25-35, the ideal candidate will have had relevant experience in the Property Sector and be capable of leading a small team in a busy, modern office environment in a conscientious manner, maintaining strict financial control and providing timely and relevant information.

MIDLANDS OUT-OF-TOWN RETAIL COMPANY

£NEGOTIABLE

FINANCE DIRECTOR required for an emerging retail company based in the Midlands currently expanding its operation.

Aged between 25-35, the ideal candidate will probably have had experience in the Retail sector and possess the necessary skills to lead a small dedicated team in a conscientious manner, maintaining strict financial control, whilst implementing and providing timely and relevant management information.

In both the above cases the candidate will need to demonstrate an outstanding achievement record, possess the necessary initiative, be capable of working under pressure and possess the appropriate communication skills to further the success of the organisation.

Future prospects for both positions are excellent and rewards will reflect the importance of each role. Interested candidates who feel they are capable of fulfilling the above criteria should send full personal and career details, including current remuneration level and daytime telephone number, in confidence to:

Box A4961, Financial Times, One Southwark Bridge, London SE1 9HL.

PAPWORTH TRUST

where people matter

FINANCE DIRECTOR - DESIGNATE

c. £30,000 plus car

The Trust

The Papworth Trust is a charitable foundation committed to the rehabilitation, development, care and integration of people with disabilities. Pioneering work in the application of robotics, engineering and computer technology, coupled with a range of industrial workshops, are key features of Papworth's progressive approach to individual fulfilment. The Trust, with an annual turnover exceeding £7.5 million, has recently embarked on a major 3-5 year change programme directed at achieving national recognition for its evolving expertise in the provision for disabled people.

The Role

The Finance Director will drive all aspects of the Trust's financial management, reporting at Board level to the Chief Executive. The successful applicant will, assuming satisfactory performance, be designated Finance Director within 6 months. Key tasks in this hands-on role include upgrading systems and control procedures, spearheading improvements in efficiency, optimising cashflows and investment returns, evaluating innovative projects, and advising on strategic and policy issues.

The Qualifications

The successful candidate will be a commercially orientated, qualified accountant, probably aged 35 to 50, with proven management experience in manufacturing and service environments. The individual will be a dynamic and influential leader, fully capable of achieving through others and building successful teams.

Applicants for this exceptional opportunity should write, enclosing a C.V. by May 7 to: The Chief Executive, Papworth Trust, Papworth Everard, Cambs. CB3 8RG.



PAPWORTH TRUST

FINANCE DIRECTOR

SURREY

Competitive salary and substantial benefits

Our client, a major multi-national media corporation is seeking to recruit a high calibre Finance Director for one of its largest subsidiaries, based in Surrey. The Company is the leading player in its market and has an outstanding record of constant growth in both sales and profits.

Reporting to the Managing Director, the successful candidate will be expected to be a key member of the executive team and be involved in both short term planning and longer term strategic issues together with total responsibility for the finance function.

This important position requires a qualified accountant currently holding a senior finance position in either a UK plc or a multi-national subsidiary, and who is used to a high level of autonomy. A demonstrably successful track record is essential, as is the proven ability to make a commercial as well as a purely financial contribution to the business. Experience of the publishing industry would be an advantage together with exposure to business in the US.

The package for this high profile position includes competitive base salary, significant bonus potential and a company car.

For further information please contact David Chorley on 0444 416636, alternatively, write enclosing a comprehensive CV or fax your details to him on 0444 416002.

HEATHFIELD HARGREAVES

Chaucer House, 6 Bolstro Road, Haywards Heath, West Sussex RH16 1BB
Tel: 0144 416836 Fax: 0444 416002

Recently Qualified Accountant To £35,000 + Banking Benefits

An exceptional opportunity exists for a Chartered Accountant of the highest calibre to join this leading Investment Bank. In a challenging and high profile position the successful candidate will take full responsibility for providing the business support for the derivatives trading area. A proactive approach and resilient personality will be needed to ensure the reporting requirements are fulfilled accurately and efficiently.

This position clearly demands an ambitious individual ideally with the following credentials:

- Up to 3 years post qualification experience in a banking environment
- A sound knowledge of derivative products
- A chartered accountancy qualification
- Previous supervisory experience

Rewards will be excellent in terms of prospects, package and working environment.

Please contact Nigel Lyons on 071 563 0673 (day) or 081 595 1009 (evenings and weekends).

Corporate Finance

To £35,000 + Banking Benefits

How badly do you want to succeed? Our client, a top tier UK merchant bank seeks two talented entrepreneurial individuals to join their expanding highly successful corporate finance team.

This is an ideal first career move for people keen to demonstrate their commercial awareness in a fast moving environment where excellence is rewarded with early promotion and responsibility. You will be ACA or MBA qualified with an outstanding academic background (2:1 degree minimum) as well as being assertive and personable.

Fluency in one or more European languages is highly desirable but not essential.

Please contact Richard Penley on 071 563 0673 (day) or 081 574 5764 (evenings and weekends). Write to: 16-18 New Bridge Street, London EC4V 6AL. Fax: 071 363 3908.

BADENOCH & CLARK recruitment specialists

SEEBOARD

Finance Manager

WEST SUSSEX

c £35k plus car

Southern Gas is a rapidly growing company marketing gas to industrial and commercial companies in the UK, predominantly in Southern England. The company is a subsidiary of SEEBOARD plc and in only its second year of trading is expected to achieve a turnover of £30m.

A high calibre Finance Manager is now required to head up the finance function, responsible for all financial matters including monthly reporting, budgeting and forecasting, credit and cash control and the effective management of a small team. Candidates will be qualified accountants, aged 28 to 35, with several years experience in a fast moving business with strong financial controls. Analytical skills are essential together with sound financial judgement, and proven management ability.

The position offers an opportunity to make a major contribution to the successful development of this new company and a career within the SEEBOARD Group as a whole.

In addition to a company car, Southern Gas can offer a range of benefits commensurate with this management position, including a smoke-free working environment, private health insurance and company pension scheme.

Please apply in writing, enclosing a full CV and stating current salary, to Helen Nagle, Recruitment Officer, SEEBOARD plc, Grand Avenue, Hove, East Sussex BN3 2LS, quoting vacancy number 4751. Closing date for receipt of applications is 4th May 1993.

Southern Gas is a Seeboard company.

LEISURE GROUP FINANCE DIRECTOR

WILTSHIRE

£40,000 PLUS CAR AND OTHER BENEFITS

JPI Group is a profitable, rapidly expanding Group of companies in the leisure sector with a market leading brand known as Watermark. Organic growth has generated a need for a new Finance Director to join the existing finance team. Reporting to the Group Chief Executive, the position will involve the supervision of the Accounts Department as well as dealing with a large number of other financial and commercial issues.

The successful candidate will be an energetic and ambitious Chartered Accountant with several years post qualification experience in industry and first hand knowledge and understanding of the workings of the City. This person is likely to be under the age of 45 given the age profile of the current executive team. Candidates should apply in writing enclosing a full cv to:

Haw Watson, Commercial Director,
JPI Group Limited, Brinkworth,
Nr Chippenham, Wiltshire SN15 5DF



Finance and Administration Manager

South London/Surrey

To c £40,000

Occasionally an opportunity arises to play a key management role in a revolutionary business concept.

Earlier this month Nurdin and Peacock plc, the highly profitable Cash and Carry operator with a turnover in excess of £1.5 billion announced its intention to launch 'Club Warehouses' into the UK which are highly successful in the US.

The new club management team have an opportunity for a Finance professional with a broad understanding of Commercial Accounting procedures and Management experience essentially within a fast moving FMCG, Distribution or perhaps Retail environment.

Reporting to the club Managing Director this role is vital to the success of the new venture as it has responsibility for Finance, MIS, Administration and Facilities Management. We are therefore seeking an experienced graduate ideally with an accounting qualification or MBA. The right candidates are unlikely to be under 30 or over 45 years of age.

If you consider you have the exceptional drive, energy and creativity to make an effective impact in what will be an exciting, informal and often pressurised team environment and believe that hard work can be fun then send a comprehensive CV to Clive Sexton, Hoggett Bowers plc, George V Place, 4 Thames Avenue, Windsor, SL4 1QP. 0753 850851. Fax: 0753 853339, quoting Ref H42011/FT.

Hoggett Bowers plc

EXECUTIVE SEARCH AND SELECTION

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FINANCIAL CONTROLLER - SATELLITE SERVICES

Salary £40,000 + Bonus + Car + Benefits. Central London

Maxat Ltd, a wholly owned subsidiary of France Câbles & Radio (part of the France Télécom Group) is currently the fastest expanding satellite services company in Europe. Having established itself via its state-of-the-art teleport at the ITN building in its chosen markets of broadcast services; corporate television and satellite data services in 1992, it is now in an explosive growth mode. Turnover is expected to double each year and exceed £12 million in 1994.

We are seeking a replacement Financial Controller to join a 5-person Management team. Direct reporting is to the UK Chief Executive and dotted line to FCR in Paris. You should be a graduate Chartered Accountant in the 30-35 age group, an exceptional candidate, who can demonstrate a high level of achievement in a change environment. We expect you to be a technically sound accountant and to show us that you can make a constructive contribution to business development whilst improving the current financial controls and enhancing the systems. A French speaker would be at an advantage.

MAXAT

Replies to: NEVILLE RASCHID
MAXAT LTD
200 GRAY'S INN ROAD
LONDON WC1X 8XZ

INVESTMENT TRUSTS - Con

هكذا من الأحرار

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

Trust Name	Price	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	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FT MANAGED FUNDS SERVICE

UK				EUROPE				AMERICA				ASIA				AFRICA				ISLE OF MAN				JERSEY							
Fund Name	Price	Change	Yield	Fund Name	Price	Change	Yield	Fund Name	Price	Change	Yield	Fund Name	Price	Change	Yield	Fund Name	Price	Change	Yield	Fund Name	Price	Change	Yield	Fund Name	Price	Change	Yield	Fund Name	Price	Change	Yield
Prosperity Life Assurance Ltd	100.00	0.00	0.00	Standard Life Assurance Co Ltd	100.00	0.00	0.00	Standard Life Assurance Co Ltd	100.00	0.00	0.00	Standard Life Assurance Co Ltd	100.00	0.00	0.00	Standard Life Assurance Co Ltd	100.00	0.00	0.00	Standard Life Assurance Co Ltd	100.00	0.00	0.00	Standard Life Assurance Co Ltd	100.00	0.00	0.00	Standard Life Assurance Co Ltd	100.00	0.00	0.00
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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Astonishment over rate cuts

THE DOLLAR and leading European currencies performed strongly against the D-Mark yesterday after the Bundesbank surprised dealers by lowering the effective floor to German money market rates, writes James Blitz.

The Bundesbank's decision to cut its Lombard rate by 50 basis points to 8.50 per cent had been anticipated by some market makers. But the cut in the discount rate - from 7.50 per cent to 7.25 per cent - took almost the whole market by surprise.

The shock was all the greater because agencies originally reported that there was no change in Bundesbank rates, and only corrected their news flashes three minutes later. One dealer talked of substantial gains and losses in dollar/D-Mark trading in the intervening period.

The cut in rates helped the dollar up in the European afternoon to peak at DM1.6135 although it later closed almost unchanged on the day at DM1.6085. The dollar's modest rise was surprising, considering that this was the third decrease in official German rates in ten weeks. However, the US currency remains capped by the 4 percentage point difference

tial between short term US and German rates.

The impact of the Bundesbank's move was felt far more keenly inside the European exchange rate mechanism.

In the European morning, both the French franc and the Spanish peseta had come under pressure on expectations that the Bundesbank would leave policy unchanged at its council meeting.

The French franc weakened beyond the FFf3.38 level against the D-Mark for the first time in some weeks. The Spanish peseta also dropped sharply, bottoming out at Ptas72.78 to the D-Mark, forcing the Bank of Spain to raise its daily intervention rate by 65 basis points to 14.0 per cent and to intervene in the market by buying its currency.

The discount rate cut helped the franc in afternoon trading to a close of FFf3.374 against the D-Mark on the day.

However, the peseta

remained weak, closing at Ptas72.54 from a previous Ptas72.37. The currency was some 74 basis points above the weakest currency in the ERM grid last night, a full percentage point below its level of 10 days ago.

Both the Bundesbank move and the UK unemployment figures helped sterling to close at DM2.4875 against the D-Mark, some 3% pennings up on the day. The currency rose to a striking 0.8 percentage points against its exchange rate index to close at 80.7.

The drop in seasonally adjusted unemployment by 26,000 took the markets by surprise, and underlined the views of those who think the UK economy may be in the midst of an upturn. Mr David Cocker, an economist at Chemical Bank in London, believes the critical level for the pound is DM2.48. "If it breaks through that, we should see DM2.52," he said.

EMS EUROPEAN CURRENCY UNIT RATES

Currency	Unit	Rate	% Change	% Spread	Disparity
Italian Lira	1,000,000	2,366.27	-1.30	1.89	54
Dutch Guilder	1,000,000	2,366.27	-1.30	1.89	54
Belgian Franc	1,000,000	2,366.27	-1.30	1.89	54
French Franc	1,000,000	2,366.27	-1.30	1.89	54
Spanish Peseta	1,000,000	2,366.27	-1.30	1.89	54
D-Mark	1,000,000	2,366.27	-1.30	1.89	54
Portuguese Escudo	1,000,000	2,366.27	-1.30	1.89	54
Irish Punt	1,000,000	2,366.27	-1.30	1.89	54

See central rates set by the European Commission. Currencies are in descending order of strength. Percentages change are for the day. Percentages spread are for the week. Percentages disparity are for the month. Percentages spread and disparity are for the month. Percentages spread and disparity are for the month.

STERLING INDEX

Index	Value	% Change
1000	100.00	0.00
1000	100.00	0.00
1000	100.00	0.00
1000	100.00	0.00
1000	100.00	0.00

CURRENCY RATES

Currency	Rate	% Change
US Dollar	1.6085	-0.0010
Japanese Yen	160.85	-0.01
Swiss Franc	1.4875	-0.0025
French Franc	3.374	-0.001
Spanish Peseta	166.27	-0.01
Dutch Guilder	2.36627	-0.003
Belgian Franc	2.36627	-0.003
Irish Punt	0.787564	-0.0001
Portuguese Escudo	200.484	-0.002

CURRENCY MOVEMENTS

Currency	Bank of England	Bank of France	Bank of Germany
US Dollar	80.7	-0.01	-0.01
Japanese Yen	160.85	-0.01	-0.01
Swiss Franc	1.4875	-0.0025	-0.0025
French Franc	3.374	-0.001	-0.001
Spanish Peseta	166.27	-0.01	-0.01

OTHER CURRENCIES

Currency	Rate	% Change
Argentine	1.5400	-0.0001
Australian	1.5400	-0.0001
Canadian	1.5400	-0.0001
Danish	1.5400	-0.0001
East German	1.5400	-0.0001
East European	1.5400	-0.0001
East German	1.5400	-0.0001
East European	1.5400	-0.0001

FINANCIAL FUTURES AND OPTIONS

Contract	Price	% Change
US Treasury Bond	110.12	-0.01
US Treasury Note	109.12	-0.01
US Treasury Bill	108.12	-0.01
US Treasury Inflation	107.12	-0.01
US Treasury Money	106.12	-0.01

FINANCIAL FUTURES AND OPTIONS

Contract	Price	% Change
US Treasury Bond	110.12	-0.01
US Treasury Note	109.12	-0.01
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US Treasury Money	106.12	-0.01

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US Treasury Bill	108.12	-0.01
US Treasury Inflation	107.12	-0.01
US Treasury Money	106.12	-0.01

MONEY MARKET FUNDS

Fund	Assets	Net Assets	NAV
First State	1,000,000	1,000,000	1.00
First State	1,000,000	1,000,000	1.00
First State	1,000,000	1,000,000	1.00
First State	1,000,000	1,000,000	1.00
First State	1,000,000	1,000,000	1.00

MONEY MARKET

Bank	Rate	% Change
Bank of England	8.50	-0.01
Bank of France	7.25	-0.01
Bank of Germany	8.50	-0.01
Bank of Italy	14.00	-0.01
Bank of Japan	5.00	-0.01

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Bank of Japan	5.00	-0.01

MONEY MARKETS

A day of surprises

EXPECTATIONS of lower discount rates across Europe increased sharply yesterday after the Bundesbank surprised dealers by cutting its discount rate by 25 basis points, writes James Blitz.

The cut in the discount rate to 7.25 per cent was hailed as having strong implications for the future Bundesbank policy, implying concern about the state of the German economy.

Dealers started the European day believing that Wednesday's figures for M3 monetary supply growth in Germany - which were far higher than the market expected - had made an easing in monetary policy unlikely.

One clue to the Bundesbank's change of heart, however, was the dramatic fall in German call money at the start of yesterday's trading. The overnight rate of interest dropped from about 8.10 per cent to 7.80 per cent because of the high liquidity in the market.

Unknown to dealers, Wednesday's injection of a net DM5.8bn of liquidity may have been part of a Bundesbank strategy to ease officially posted rates: the proximity of call money to the interest rate

floor made a cut in the discount rate more likely.

The Bundesbank did not announce a fixed rate for next week. However, there were strong expectations that the repo rate - whether variable or fixed - would come under pressure to reflect the new structure of market rates.

The Bundesbank's cut was followed by a sharp rise in Eurormark futures. The June contract rose 16 basis points on the day to close at 92.78. The June French franc contract rose 16 basis points to close at 91.97. One month French francs dropped more than 40 basis points from their peak of the day to around 8.90 per cent.

Expectations of another cut in UK base rates diminished sharply yesterday after the unemployment figures for March registered a net drop on the month for the second time running.

Seasonally adjusted unemployment dropped by 26,000. The June short-term contract fell 16 basis points to a low of 83.80. However, the news from Germany pushed them back up to a close of 93.91 at the end of the day.

Sterling cash markets were more muted. Three-month money closed unchanged at 6 per cent. A shortage of £1.3bn in the discount market pushed the overnight lending rate up to 7.5 per cent at one stage.

FT LONDON INTERBANK FIXING

Contract	Price	% Change
US Treasury Bond	110.12	-0.01
US Treasury Note	109.12	-0.01
US Treasury Bill	108.12	-0.01
US Treasury Inflation	107.12	-0.01
US Treasury Money	106.12	-0.01

FT LONDON INTERBANK FIXING

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FT LONDON INTERBANK FIXING

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

VIAQ

Make ends meet
Our initiative "Loop"
Packaging is supported by industry, consumers and environmentalists.

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Telefon: (0228) 562-2122

Continued on next page

Make ends meet

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VIAG
Aktiengesellschaft

VIAG Aktiengesellschaft
Georg-vor-Berndt-Lager-Str. 25
D-5800 Bonn 1
Telefax: (2 28) 5 62-21 22

AMERICA

Earnings reports help
Dow to move ahead

Wall Street

US stock markets bounced back from three days of losses to post gains yesterday as a number of strong earnings reports lifted share prices across the board, writes Patrick Haverston in New York.

At 12.45pm, the Dow Jones Industrial Average was up 22.42 at 3,461.36. The more broadly-based Standard & Poor's 500 was up 0.94 at 444.57, while the Amex composite was 1.00 higher at 420.03, and the Nasdaq composite up 3.88 at 667.92. Trading volume on the NYSE was 171m shares just before 1pm.

Trading opened against a background of conflicting factors, including the cut in German interest rates, news of a rise in weekly jobless claims, and falling bond prices. The German rate cut had little impact on market sentiment, primarily because the Bundesbank's move failed to give much of a lift to the dollar.

The news of a 28,000 increase in weekly jobless claims was worrying - it confirmed that the labour force still struggles to keep up with the pace of the economic recovery - but investors shrugged it off, as they did another, albeit small, decline in bond prices.

Attention was primarily

focused on corporate earnings, and here the news was better. The day's main feature was Caterpillar, which jumped 4% to \$66.75 in busy trading after the company bounced back from a big loss in the first quarter last year to post a net profit of \$34m in the wake of

company reported net income of \$1.47 a share, up from 65 cents a share a year earlier.

Airline stocks gave back some of Wednesday's big gains as some investors took the opportunity to book some quick profits. USAir fell \$1 to \$22.75, Delta dropped \$1 to \$24.75, and Delta fell \$1 to \$24.75. Delta reported a net loss of \$134m in the third fiscal quarter after taking an \$82.5m restructuring charge. AMR held steady at \$71.

Consolidated Rail dropped \$4 to \$52.40 after reporting higher-than-expected quarterly injury costs.

On the Nasdaq market, MCI Communications jumped 1% to \$48 on news that earnings improved from 51 cents a share a year ago to 56 cents a share in this year's first quarter.

Canada

TORONTO was flat at midday, pressured by losses in the conglomerates group. The TSE-300 index was 0.40 higher at 3,663.50 in volume of 31.6m shares.

Air Canada gained 45 cents to \$3.60 after the Canadian Competition Tribunal dismissed a bid by Air Canada's rival, PWA, to quit the Gemini reservations system.

Trading in PWA was suspended.

stronger demand in the US market and improved margins. The earnings were better than analysts' had expected, and prompted several brokerage houses to upgrade their ratings and raise their earnings estimates for the company.

Among other stocks to advance on news of improved earnings were Dow Chemical, which climbed 3% to \$56 in volume of 1m shares after the

settled below \$900,000 since March 31.

NTT-related shares also moved into negative territory. Fujikura, the electric wire and cable manufacturer, dropped \$3.70 to \$91.1, while Mitsubishi Cable declined \$2.4 to \$68.

Profit-taking pushed the high-technology sector lower. NEC fell \$1.6 to \$21.1, Hitachi \$1.4 to \$24.8. Motorola-related shares lost ground. Honda weakened \$9.0 to \$14.0, while Toyota shed \$1.0 to \$15.80.

In Osaka, the OSE average slipped \$3.57 to end at 21,450.23 in volume of 27.5m shares.

Volume was estimated at 380m shares, compared with Wednesday's 395m. Losers outpaced advances by 721 to 313, with 133 issues unchanged.

Foreign exchange considerations again dominated equity trading in Tokyo. Market participants sold and bought shares in tandem with the rise and fall of the yen, which finally settled at ¥110.20 to the dollar. While uncertainties about the stability of the yen remain, investors are expected to continue to take profits.

Chart analysts predict that the Nikkei will test its 25-day moving average of 19,483.44 in the short term. Below this level, however, buy orders from government-managed public funds are likely to serve as a support for share prices.

Mr Shigeru Akiba, director of yen equity trading at UBS Securities, said afternoon sales of futures contracts triggered arbitrage-related selling that pressured the cash market.

Nippon Telegraph and Telephone, which has led the Tokyo market, receded \$4.00 to ¥893,000, the first time it has

advanced 149.06, or 3.3 per cent, to 4,631.69. Turnover fell to ¥14.7bn from ¥31.4bn.

SEOUL wrote its 20-month high, the composite index rising 4.01 to 735.57 in volume of 61.3m shares. Electronics and other blue chip sectors led the rise.

NEW ZEALAND closed near to an all-time peak, with the advance fuelled by continuing strong interest in forestry shares.

The NZSE-40 index climbed 32.18, or 1.4 per cent, to 1,627.13 in strong turnover of NZ\$48m.

The 1,627.13 historic high of the 24-year old index was set on February 16.

Foreign buying was again concentrated on forestry stocks, which are benefiting from lumber price increases.

MANILA rose as investors tried to shake off fears caused by the government's takeover of the board of directors of market leader PLDT. The composite index moved ahead 7.94 to 1,540.70 as PLDT fell 15 pesos to 945 pesos.

AUSTRALIA was higher, with banks, especially Westpac, attracting interest. The All Ordinaries index finished 11.5 up at 1,705.4.

HONG KONG eased on volatile futures-led activity, as British talks opened in Beijing. The Hang Seng index ended 9.15 down at 6,759.24 in turnover of HK\$4.3bn, against Wednesday's HK\$4.3bn.

While prices started higher on hopes of better relations between Beijing and London, afternoon futures-led selling eroded the gains.

BOMBAY fell to a 15-month low, depressed by expectations of disappointing company results. The BSE index shed 30.55 to 2,168.96.

The weighted index

focused on corporate earnings, and here the news was better. The day's main feature was Caterpillar, which jumped 4% to \$66.75 in busy trading after the company bounced back from a big loss in the first quarter last year to post a net profit of \$34m in the wake of

company reported net income of \$1.47 a share, up from 65 cents a share a year earlier.

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EUROPE

Buba's move takes bourses by surprise

THE Bundesbank's cut in the discount and Lombard rates took markets by surprise and there was a consensus among analysts that Germany might now move a little more quickly in lowering interest rates, writes our Markets Staff.

The feeling that the German economy is in an even worse state than observers had believed given added strength to this view and some analysts are looking for a substantial cut in the repo next week.

FRANKFURT edged down during the session but there were strong gains in the post-bourse after the rate cut was announced. The DAX index closed down 0.13 to 1,666.74 in turnover of DM5.9bn.

In post-bourse trading, banks gained on hopes that lower interest rates would help profit margins. Mr Hans Peter Wodnick at James Capel said that insurance companies, which held large bond portfolios were also beneficiaries of the rate cut.

However, some analysts doubt that the equity rally will last, as monetary easing itself indicated that the central bank

remained pessimistic over the economy. Mr Nigel Longley of Commerzbank said that while the cut spurred activity by dealers in after market trading, genuine investors remained inactive.

Volkswagen rose DM10 to DM331, after a presentation in London on Wednesday, while Daimler-Benz advanced DM8 to DM575 and BMW gained DM2.5 to DM480.

PARIS regained some of the week's losses although activity was reported to have been unenthusiastic ahead of today's end of the account. The CAC-40 index rose 12.50 to 1,944.46, but off the day's high of 1,955.10, in turnover of FF3.6bn.

There is a view in some quarters that with many institutions already heavily overweight in France there is unlikely to be a rush to buy at present. Investors are also waiting for the privatisation programme to get underway.

Peugeot strengthened FF5 to FF542 after its 1992 results came much in line with expectations and hopes of a better performance in 1993. Suez

FT-SE Actuaries Share Indices

		THE EUROPEAN SERIES									
April 22		Open	10.30	11.00	12.00	13.00	14.00	15.00	Close		
Hourly changes											
FT-SE Eurotrack 100		1150.26	1155.59	1158.56	1158.19	1158.72	1158.33	1163.23	1164.34		
FT-SE Eurotrack 200		1224.40	1223.42	1223.32	1223.25	1223.06	1222.98	1227.13	1232.21	1234.50	
		Apr 21	Apr 20	Apr 19	Apr 18	Apr 15	Apr 15				
FT-SE Eurotrack 100		1157.71	1158.12	1164.50	1159.61	1159.61	1156.40				
FT-SE Eurotrack 200		1224.52	1220.73	1221.89	1217.23	1217.23	1220.62				

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Dublin enjoys thrills of the roller-coaster

Falling interest rates and overseas demand are driving equities, reports Tim Coone

THE Irish stock market has had all the thrills of a ride on a funfair roller coaster over the past six months, and all the unpredictability of Irish weather.

The cries of alarm and dire predictions of deepening gloom in the autumn of last year, as the market plunged to a four-year low, have since been replaced by squeals of delight and forecasts of better to come as the ISEQ overall index bottomed out and has since climbed rapidly to a three-year high.

It has gained 30 per cent since the end of December, half of that in March alone, and a remarkable 45 per cent since the four-year low last October, making Dublin one of the world's best performing markets this year to date. It eased 2.47 yesterday to 1,554.27.

The crucial turning point was the punt's devaluation at the end of January and the steady fall in interest rates since then, which has brought a burst of optimism flooding through analysts' forecasts.

Financial stocks such as Bank of Ireland and AIB have bounced back particularly strongly, the sector advancing 38 per cent in the year to date, while food shares such as Avonmore, Waterford, and Golden Vale have also outperformed the market as a whole, as has the blue chip construction stock CRH and a number of second line industrials.

The ERM crisis in the autumn of last year, which threw the Irish currency into crisis and interest rates soaring, had been particularly depressing for the financial stocks and for companies trading into the US. But with that cloud now lifted, recovery has been strong, with the potential for more to come.

Mr John Horgan, head of

research at Riada stockbrokers in Dublin, comments: "The market is still 20 per cent below its all-time high and price-earnings multiples are 13 for 1993, while they are 17 in the US and 15 in the UK."

He says a promising economic outlook over the next two years, combined with favourable technical factors, "could mean that there is still some 15 to 20 per cent to go and could make this year an exceptionally good one for the market."

Two technical factors are particularly significant. From May 1, Irish stocks will be included in the Morgan Stanley Capital International index, which will serve to attract additional US funds into the market. Secondly, when Dublin money market rates were very high in January, there were heavy redemptions of unit-

linked funds, making the Irish institutions forced sellers.

That position has now been reversed, and Irish institutions will again be net buyers of stock at the same time as there are few expectations of any of the leading Irish stocks coming

to the market with new issues in the months ahead, keeping supply of paper tight, while demand remains firm.

A more cautious note is being sounded by Davy stockbrokers in Dublin. They say much of the bull market of the past two months has been driven by overseas buying, and those stocks which have attracted most interest "no longer look unduly cheap by international comparisons... we find it difficult to see how the market as a whole can push significantly ahead from these levels without inducing some overseas profit-taking."

Further ahead, however, Davy is forecasting that interest rates will fall a further 2 to 3 percentage points to around 6 per cent in 1994 and GNP growth will recover to 4 per cent next year, "which should be sufficient to allow the mar-

ket to make further and significant gains on a 12 to 18-month view."

Mr Robbie Kelleher, head of research at Davy, says: "We remain strategic bulls. There is a very benign picture of the economy emerging over the next 18 months."

Mr David Kingston, chief executive of Irish Life, Ireland's largest fund manager, is also bullish and says he is "generally optimistic that interest rates will continue to fall over the next two years."

Under such a scenario, overall earnings growth in the Irish market is forecast to be in the region of 20 per cent over the next two years, giving a 1994 p/e forecast of around 11 which will continue to offer bargains for those that like the thrill of Dublin's roller-coaster ride.

ASIA PACIFIC

Tokyo continues slide as
Singapore returns to peak

Tokyo

LATE profit-taking, coupled with futures sales as a hedge against the yen's extended advance against the dollar, pushed equity prices lower for a fifth consecutive session in light volume, writes Wayne Aponte in Tokyo.

The Nikkei average ended 181.70 down at 19,591.31, after an intraday low of 19,557.78 and a high of 20,116.86. The broader Topix index of all first section stocks lost 9.53 to 1,523.03, but in London the ISE/Nikkei 50 index firmed 2.00 to 1,202.15.

Volume was estimated at 380m shares, compared with Wednesday's 395m. Losers outpaced advances by 721 to 313, with 133 issues unchanged.

Foreign exchange considerations again dominated equity trading in Tokyo. Market participants sold and bought shares in tandem with the rise and fall of the yen, which finally settled at ¥110.20 to the dollar. While uncertainties about the stability of the yen remain, investors are expected to continue to take profits.

Chart analysts predict that the Nikkei will test its 25-day moving average of 19,483.44 in the short term. Below this level, however, buy orders from government-managed public funds are likely to serve as a support for share prices.

Mr Shigeru Akiba, director of yen equity trading at UBS Securities, said afternoon sales of futures contracts triggered arbitrage-related selling that pressured the cash market.

Nippon Telegraph and Telephone, which has led the Tokyo market, receded \$4.00 to ¥893,000, the first time it has

settled below ¥900,000 since March 31.

NTT-related shares also moved into negative territory. Fujikura, the electric wire and cable manufacturer, dropped \$3.70 to \$91.1, while Mitsubishi Cable declined \$2.4 to \$68.

Profit-taking pushed the high-technology sector lower. NEC fell \$1.6 to \$21.1, Hitachi \$1.4 to \$24.8. Motorola-related shares lost ground. Honda weakened \$9.0 to \$14.0, while Toyota shed \$1.0 to \$15.80.

In Osaka, the OSE average slipped \$3.57 to end at 21,450.23 in volume of 27.5m shares.

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Roundup

PACIFIC Rim markets turned in a mostly strong performance. Recent strength in Singapore and Kuala Lumpur has been attributed to portfolio adjustment on expectations that the Morgan Stanley Capital index, presently combining the two markets, will be split at the beginning of next month, some analysts said.

SINGAPORE returned to its record-setting ways as low interest rates continued to boost liquidity. Buyers focused on lagged small-capital stocks and warrants, and the Straits Times Industrial index rose 3.15 to 1,773.21. KUALA LUMPUR ended its four-day rally with a dip in the composite index of 0.25 to 691.45.

TAIWAN surged ahead as the government was poised to tighten the Copyright Law, in a move to avoid trade retaliation by the US, which had been demanding stricter controls on protecting intellectual property rights.

The weighted index